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HURRICANE BETSY DISASTER OF SEPTEMBER 1965

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HEARINGS

BEFORE THE

SPECIAL SUBCOMMITTEE TO INVESTIGATE
AREAS OF DESTRUCTION OF HURRICANE BETSY

OF THE

COMMITTEE ON PUBLIC WORKS

HOUSE OF REPRESENTATIVES

EIGHTY-NINTH CONGRESS

FIRST SESSION

NEW ORLEANS, LOUISIANA

SEPTEMBER 25, 1965

BATON ROUGE, LOUISIANA

SEPTEMBER 26, 1965

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HURRICANE BETSY DISASTER OF SEPTEMBER 1965

SATURDAY, SEPTEMBER 25, 1965

SPECIAL SUBCOMMITTEE ON HURRICANE BETSY DISASTER
OF THE COMMITTEE ON PUBLIC WORKS,
New Orleans, La.

The subcommittee met, pursuant to notice, in the Federal Office Building, Hon. Robert E. Jones (chairman) presiding.

Mr. JONES. The subcommittee will come to order.

My name is Robert E. Jones. I am a Congressman from the State of Alabama and a member of the Committee on Public Works of the House of Representatives, and serve as chairman of the Flood Control Subcommittee of that committee.

The Committee on Public Works has under its jurisdiction such programs as rivers and harbors, flood control, highways, watersheds, and public buildings. We are really the committee of the Congress that has the basic jurisdiction over the problems confronting the area affected by Hurricane Betsy today. That is why I am here, along with my colleagues on the committee, as well as the distinguished group of Members of Congress from Louisiana, and the gentleman from Mississippi representing the Republican member of the committee.

I have been designated by the Honorable George Fallon, chairman of the Public Works Committee, as chairman of the special subcommittee to investigate and report on the New Orleans-Baton Rouge, La., hurricane area.

I would like to introduce other members of our subcommittee, Ken Gray, of Illinois; Harold Johnson, of California; Bryan Dorn, of South Carolina; Robert Everett, of Tennessee; Jim Kee, of West Virginia; John R. Schmidhauser, of Iowa; James Howard, of New Jersey, along with Prentiss Walker, of Mississippi, representing the Republican members of the committee, as well as the following Members of your own State of Louisiana: Ed Hébert, James Morrison, Hale Boggs, Ed Willis, and Speedy Long. All of these gentlemen are experienced in the problems facing you in this area today.

We are well aware of the hardships that this area has endured. We are most sympathetic to the experiences you have suffered in the loss of lives and the loss of property. Since January of this year, this is the sixth field trip that we have made throughout the country. I think this will be recorded as "Disaster Year" because we have been plagued with it from one area of the country to the other. We intend to do all we can to help you. We hope, through our efforts in Washington and your untiring efforts here in this part of the country, to rehabilitate and restore all that the hurricane has destroyed. We know you have already started the task, and Washington has begun to help you. As a result of this trip, it will further, we hope, bring about

further Federal assistance to you. I have mentioned the Members of Congress who are with me today. I would like to state that, due to the magnitude of the problem that this area of the country faces, we have also brought with us staff members of the Committee on Public Works, along with representatives of the Federal agencies who have direct responsibility for helping to solve the problem that the flood has created. A list of those making this trip with us is in a published list and available to anyone who desires the list.

Now, this is going to be a most informal meeting, and the reason that it will be informal is the simple reason that there may be questions arise that we of the Legislature might not be capable of making an immediate response. Therefore, we have brought with us the officials of the various agencies and activities of Federal Government that will be employed during the course of the next year in rendering aid and assistance to you.

Representing the Federal agencies is Maj. Gen. Jack Graham, Director of Civil Works, Corps of Engineers, Department 9.

Major General Davis, division engineer of Vicksburg, Miss.

Col. Tom Bowen, New Orleans district engineer.

Mr. Angus McRae, Assistant Director of Civil Works of the Mississippi Valley.

Bureau of Public Roads, Mr. Frank Turner.

Department of Agriculture, Mr. Jack Frost, representing the emergency loans of the Farmer's Home Administration.

Mr. Clarence Parker, State statistician, Statistical Reporting Service.

Mr. J. S. Smith, State director of the Federal Crop Insurance Corporation.

Mr. W. O. Holley, district director of the Federal Crop Insurance Corporation.

We have the Small Business Administrator or past Administrator, now the Assistant Secretary of Commerce, Hon. Eugene P. Foley.

Mr. Ross Davis, Acting Administrator of the Small Business Administration.

Mr. Hal Galloway, Assistant Administrator in Charge of Disaster Operations in New Orleans.

The Maritime Administration, Mr. Donald Allen.

The Public Health Service, Dr. James Hundley.

Housing and Home Finance Agency, Mr. Milton Semer, Mr. Richard Still and Mr. Bill Collins.

The American Red Cross, Mr. Robert F. Shea.

Governor McKeithen is on his way and will appear in just a few minutes.

You have Mr. Leland Tinsley, Florida State civil defense and disaster relief officer representing the Governor of Florida.

Mr. Tinsley, do you have a statement, sir, you would like to present to the committee? If so, you may proceed.

STATEMENT OF LELAND TINSLEY, FLORIDA STATE CIVIL DEFENSE AND DISASTER RELIEF OFFICER, REPRESENTING THE GOVERNOR OF FLORIDA

MR. TINSLEY. Mr. Chairman and members of the committee, I don't have any statement that would lend itself to the assistance of

the distressed people of this area. I do bring the sympathies of Florida, and offer any help that we can give you.

I would like to tell the committee that we, in Florida, had some damage, the total of which was \$139,330,429.05.

Now, in Florida, we treat hurricanes as if they were enemy attacks. We bring our civil defense organization into being immediately the U.S. Weather Bureau reports a hurricane watch on any part of Florida. Now, this means State and local government. This has been declared by Governor Burns to be their responsibility, and so it is. We activate this in a very unique way: the Governor simply sends out a signal, which we call Operational Condition 3. This sets into motion the natural disaster plan and procedures for State and local government. We have had great success in reducing the loss of life. We only had seven people killed in this disaster, Hurricane Betsy, and all of these were not directly connected with the hurricane. We have been fortunate, and we have a geographical situation which is not similar to yours here, and that of course is to our advantage.

We sympathize with the people of Louisiana, and I want to thank the Committee—

MR. JONES. Mr. Tinsley, what did the damage consist of mostly? Was it damage to houses or—

MR. TINSLEY. Yes, sir; hotels in the Miami Beach area. We had a public property damage of \$9,061,629.05. The private property damage was \$122,818,800.00 which is primarily due to the large and plush hotels of the Miami Beach area.

(The full table follows:)

Table of damages

County	Private	Public	Agriculture	Total
Bay.....	\$300,000	\$505,000.00	-----	\$805,000.00
Broward.....	5,323,000	1,402,600.00	\$300,000	7,025,600.00
Charlotte.....	Negligible	Negligible	25,000	25,000.00
Collier.....	50,000	16,000.00	100,000	166,000.00
Dade.....	111,183,000	5,707,500.00	6,000,000	122,890,500.00
Lee.....	100,000	100,000.00	None	200,000.00
Martin.....	95,000	78,500.00	5,000	178,000.00
Monroe.....	5,609,800	909,000.00	None	6,518,800.00
Palm Beach.....	128,000	170,949.00	1,000,000	1,298,949.00
Pinellas.....	25,000	10,580.05	None	35,580.05
St. Lucie.....	5,000	16,500.00	20,000	186,500.00
Total.....	122,818,800	9,061,629.05	7,450,000	139,330,429.05

MR. JONES. Any questions of Mr. Tinsley? Thank you very much.

MR. TINSLEY. Thank you, sir.

MR. JONES. Mr. Herman C. Glazier, Jr., representing the Governor of Mississippi.

STATEMENT OF HERMAN GLAZIER, JR., EXECUTIVE ASSISTANT TO THE GOVERNOR OF MISSISSIPPI

MR. GLAZIER. Mr. Chairman, gentlemen, I am Herman Glazier, executive assistant to the Governor of the State of Mississippi. Governor Johnson regrets his inability to be here today. He wants to thank the subcommittee for the opportunity of making a short presentation to it, and also to express his sympathy to a sister State for their

distress which was considerably more than that experienced by the State of Mississippi. We were fortunate in the fact that we experienced no loss of life because of Hurricane Betsy.

Very briefly, I will attempt to cover the categories in which we experienced damage. Nearly accurate estimates of monetary damage is possible. Mr. Kenneth Phillips, State civil defense director, will enlarge upon the matters that I might present.

This is a summary report of the estimated damages to the public and private properties including agriculture caused by Hurricane Betsy during the period September 8 and 10, 1965. These estimates are based upon collective judgment from the best possible sources.

The first category of public losses—these estimates were made by special county and city engineers and other qualified individuals in each respective category. The first category has streets, roads, and bridges. The estimate of this category is \$2,069,014.

Mr. JONES. Now, Mr. Frank Turner is here from the Bureau of Public Roads. Are there any questions you would like to have him answer in connection with what relief could be forthcoming for the repairment of those roads?

Mr. GLAZIER. I think not at this time, Mr. Chairman. Our director of roads has been in contact with them, and I am advised that the Bureau is fully acquainted with the estimates made by the State highway department.

The next item is dikes, levees, and drainage facilities. Our estimate in that field is \$1,997,842.41; public buildings and related equipment, \$483,639; public utilities, not including private companies or corporations serving the public, \$223,499.

Mr. JONES. What type of public utilities?

Mr. GLAZIER. Municipally owned utilities outside of private power companies, communications, REA and agencies of that nature.

Debris clearance, \$609,740; protective health and sanitation measures, \$343,696. The total of this category is \$5,727,430.41. Field private companies and corporations which serve the public: electric, \$592,500; communications, \$1 million; gas, \$1,800, making a total of \$1,594,300.

Agricultural losses are expressed in terms of percentage loss to 1965 crop using USDA crop forecasts as of September 1, 1965. Percentage of loss to each crop is based upon collective judgment of the State commissioner of agriculture, State chairman of agricultural stabilization and conservation board, the director of State extension service, and heads of agricultural marketing services such as rice growers, association of cotton growers, and so forth. The estimated cotton loss, September 1, 1965, crop forecast, was 2,100,000 bales. The estimated loss was 5 percent statewide or 105,000 bales. That is a loss of 105,000 bales at \$165 a bale or \$17,325,000. Corn, September 1, 1965, crop forecast was 24,313,000 bushels. Estimated loss due to rot and sprouting, 10 percent or 243,000 bushels. The value of the loss of 243,000 bushels at the rate of a dollar and a half a bushel is \$364,000. The rice, September 1, 1965, crop forecast, 1,911,000 hundredweight or 4,242,420 bushels. The estimated loss is 10 percent or 424,242 bushels at the rate of \$2.40 a bushel is \$918,000. Pecan, September 1, 1965, crop forecast, 20 million pounds. The estimated loss was 30 percent or 6 million pounds. The value of the loss is 6 million pounds at the

rate of 18 cents a pound is \$1,080,000. Bean crop, figured there was none; the loss is probably offset by the benefit of the accompanying rains. Loss of hay is undetermined. Of course, the hay on the ground was lost, but the accompanying rains probably benefited the growing crops sufficiently to offset that.

Now, to recap these figures, cotton, \$17,325,000; corn, \$364,000; rice, \$918,000; pecan, \$1,080,000, a total of \$19,687,000.

Mr. JONES. Would you identify the general area of the State where these losses occurred?

Mr. GLAZIER. I am going to ask Mr. Phillips to cover that subject. We can do it at this time if you would like. Mr. Phillips?

STATEMENT OF KENNETH P. PHILLIPS, MISSISSIPPI STATE CIVIL DEFENSE DIRECTOR

Mr. JONES. Your name is Kenneth P. Phillips?

Mr. PHILLIPS. My name is Kenneth P. Phillips, Mississippi State Civil Defense Director and also Director for Emergency Planning of the State of Mississippi.

In regard to the area covered by the damage, which Mr. Glazier just covered, consists—the majority of the damages were incurred in 26 counties, consisting of the 3 southern counties and the southwestern counties and along the western—

Mr. JONES. For the purpose of the record, will you supply the committee with the names of those counties so as to be included? Without objection, the Chair will receive statements and incorporate them in the record rather than ask each individual item to be included.

Mr. PHILLIPS. The counties that were affected were Jackson, Harrison, Hancock, Pearl River, Lincoln, Adams, Franklin, Amite, Wilkinson, Claiborne, Pike, Jefferson, Walthall, Warren.

Yazoo, Issaquena, Sharkey, Humphreys, Washington, Sunflower, Bolivar, Leflore, Tallahatchie, Coahoma, Quitman, and Tunica Counties. All of these counties are—the majority of the agricultural damage was in the delta section of the western counties of the State. I have copies of the estimates which Mr. Glazier just presented which I would like to pass out at this time.

Mr. JONES. They will be received and printed in the record.

Mr. PHILLIPS. Other than the agricultural damage, physical damage to properties, both public and private, were mainly along the three coastal counties, Jackson, Harrison, and Hancock Counties.

Are there any questions?

Mr. JONES. Thank you, Mr. Phillips. Are there any questions of Mr. Phillips or Mr. Glazier?

Mr. GRAY. I might ask him one, Mr. Chairman. Was most of your damage done by wind or water?

Mr. PHILLIPS. The property damage was mainly from water. The agricultural damage in the inland counties was from wind and water.

Mr. GRAY. The reason I asked that, I was wondering how much of your loss was covered by insurance. Do you have any idea?

Mr. PHILLIPS. Along the coast, I talked to the insurance adjusters, and also the Small Business Administrators, and they said that the estimate there would run about a fifth would be covered by insurance on mostly private business properties.

Mr. GRAY. Thank you.
(List of damages of Mississippi and additional statement of Herman Glazier follow.)

LIST OF DAMAGES OF MISSISSIPPI

The following is a summary report of the estimated damages to public and private properties, including agricultural, caused by Hurricane Betsy during the period September 8-10, 1965.

These estimates are based upon the collective judgment of the most knowledgeable people available in their respective fields.

I. PUBLIC

Losses incurred to public facilities listed by categories. These estimates were made by State, county, and city engineers and other qualified individuals in each respective category listed:

a. Streets, roads and bridges-----	\$2, 069, 014. 00
b. Dikes, levees, and drainage facilities-----	1, 997, 842. 41
c. Public buildings and related equipment-----	483, 639. 00
d. Public utilities (not including private companies or corporations serving the public)-----	223, 499. 00
e. Debris clearance-----	609, 740. 00
f. Protective, health, and sanitation measures-----	343, 696. 00
Total-----	<u>5, 727, 430. 41</u>

Losses incurred to private companies and corporations which serve the public:

a. Electric-----	\$592, 500. 00
b. Communications-----	1, 000, 000. 00
c. Gas-----	1, 800. 00
Total-----	<u>1, 594, 300. 00</u>
Subtotal-----	<u>7, 321, 730. 41</u>

II. AGRICULTURE

Agricultural losses are expressed in terms of the percentage loss to 1965 crops, using USDA crop forecasts as of September 1, 1965. The percentage of loss to each crop is based upon the collective judgment of the Commissioner of Agriculture and Commerce, the State chairman of the Agricultural Stabilization and Conservation Board, the director of the State Cooperative Extension Service, and heads of agricultural marketing services such as the Rice Growers Association and Staple Cotton Growers Association. A breakdown in the losses to the principal crops follows:

a. Cotton: September 1, 1965, crop forecast: 2,100,000 bales. Estimated loss: 5 percent statewide or 105,000 bales. Value of loss: 105,000 bales at \$165 per bale, \$17,325,000.

b. Corn: September 1, 1965, crop forecast: 24,313,000 bushels. Estimated loss due to rot and sprouting: 10 percent or 243,000 bushels. Value of loss: 243,000 bushels at \$1.50 per bushel, \$364,000.

c. Rice: September 1, 1965, crop forecast: 1,911,000 hundredweight (4,242,420 bushels). Estimated loss: 10 percent or 424,242 bushels. Value of loss: 424,242 bushels at \$2.40 per bushel, \$918,000.

d. Pecan: September 1, 1965, crop forecast: 20 million pounds. Estimated loss: 30 percent or 6 million pounds. Value of loss: 6 million pounds at 18 cents per pound, \$1,080,000.

e. Beans: None. Loss was probably offset by benefit of accompanying rains to growing crops.

f. Hay: Undetermined. Hay on ground was lost but accompanying rains probably benefited growing crops sufficiently to offset loss.

Recapitulation of agricultural damage:

Cotton-----	\$17, 325, 000
Corn-----	364, 000
Rice-----	918, 000
Pecan-----	1, 080, 000
Subtotal-----	19, 687, 000

III. PRIVATE

Although the total private damages will not be known for several months, the following estimate was compiled by insurance adjusters, engineers, Federal Housing Authority, Small Business Administration, and stock and mutual insurance companies. This includes damages to both real and personal properties.

Subtotal, \$11,050,000; grand total, \$38,058,730.41.

ADDITIONAL STATEMENT OF HERMAN GLAZIER

Mr. Chairman, we would respectfully call to the attention of the subcommittee a feasibility survey conducted by the Corps of Engineers relative to hurricane protection on the Mississippi gulf coast. The result of this study, which was completed prior to Hurricane Hilda and Hurricane Betsy, indicated that only two such disastrous hurricanes had occurred—one in 1915 and one in 1947. The infrequency of gulf hurricanes was the basis for disapproving the need for the type of hurricane protection contemplated in the study.

The Mississippi ports along the gulf coast, the shipbuilding industry in which the Federal Government has tremendous investments, and refinery complexes are provided no direct protection in such cases.

It is therefore considered desirable that the study by the Corps of Engineers be reopened or continued in light of the results of the recent hurricanes named Hilda and Betsy.

The oyster beds of the Mississippi gulf coast are quite vulnerable to pollution from silt and dead carcasses following such storms. Determination of damage to oyster beds requires considerable time for complete analysis. It appears at the moment that no damage occurred to the oyster reefs along the Mississippi coast.

We respectfully suggest and encourage the committee to recommend provisions for a program of hurricane insurance for private concerns and individuals which is not presently available from commercial sources. It is further requested that consideration be given to making coverage therefor retroactive in order to provide relief to the people who suffered such great personal losses.

Now, in the exhibit to prior testimony, so far as the agricultural loss is concerned, there were indicated certain losses by percentage statewide. This, of course, includes some individual losses—as much as 75 percent of their 1965 crops.

It is well to know that the people of Mississippi did not hesitate to start digging out and to start restoring with all of her own resources.

We appreciate the interest of the Members of Congress in such matters of national concern, not only when Mississippi is involved but also for other areas, and we appreciate the opportunity given at the hearing.

Mr. JONES. Thank you very much, Mr. Phillips.

I have just been informed that Governor McKeithen has arrived.

Governor, we are pleased to see you this morning. We regret that our visit was occasioned by the catastrophe that afflicted this great area. Usually, we think of coming to Louisiana, and particularly to New Orleans, Baton Rouge, to see the great football teams or enjoy the hospitality of New Orleans; but today, we are saddened by the fact of what we have seen. We know and appreciate the hazards and trials and frustrations that these incidents visited upon the people; and we are here, as I said in my opening statement, not only to give you confidence and reassurance and sympathy, but we are here to try to do what we can to implement our ambitions from sympathy.

STATEMENT OF GOV. JOHN J. McKEITHEN, OF LOUISIANA

Governor McKEITHEN. Mr. Chairman, I would like to say first on behalf of our entire State, and I think all of the citizens in it, how much we appreciate this congressional committee coming to our State. Of course, we have suffered a great disaster, and it obviously would have been even much worse had we not had the complete help and enthusiastic assistance of the Federal Government in all the branches of Government who could possibly be involved in helping us in this time of distress. We are, I say, greatly appreciative of the spontaneous and enthusiastic manner in which the Federal Government has come in here to help us; and we are especially appreciative of the personal attention that the Members have demonstrated by your being here today.

Mr. JONES. One of the things that gave us the inspiration to come down here is the constant attention the Members of the Louisiana delegation played in bringing this tragedy to the attention of the House, and asking us to come today to be a part.

Governor McKEITHEN. I greatly appreciate that, and with due deference to the respective congressional delegations of the various States, we are awfully proud of our delegation here in Louisiana. We think we have—we won't say the finest, because we have you gentlemen here today—but we think we have certainly one of the finest delegations—

Mr. JONES. Since we are out of town, and out of our own States right now, we will say, "They are the best." [Laughter.]

Governor McKEITHEN. I will say we have the finest delegation, with due deference to the respective Members who are here.

I have a very lengthy statement here. We have attempted to approximate as well as we can, working as rapidly as we could, in most cases without being able to gain the final information that the various agencies will be able to compile for us, that various industries will be able to compile for us of what we think has happened to our State. It's a very lengthy thing, and I know that you gentlemen and a lot of people here are to be heard, and it might be well, it might be perhaps a better course of procedure if I had copies of this statement made and filed with the committee for your study. I hate to impose upon the committee by reading this entire prepared statement we have here, but I will be glad, and as I say I will abide by the wishes of the Chair or members of the committee—

Mr. JONES. Whatever your pleasure is, Governor. We will receive the statement, and it will be placed in the record, and I assure you that it will be—

Governor McKEITHEN. I think it perhaps might be best if I did that because as I say, it's very lengthy, and will take up a lot of time.

Mr. JONES. Would you highlight it?

Governor McKEITHEN. Yes; and I will have copies of it made before I leave here today so that each member of this committee can have a copy of it and read it at their leisure time.

We feel like, as I say, obviously we have suffered the greatest catastrophe in our State since the Civil War. Nothing has approached it in the way of a natural disaster. Those who have been here many years longer than I have been here in this State—and I have been here

all my life—say no flood, no hurricane, has ever approached, I say the disaster caused by this one.

It's felt that the 1915 hurricane was—of course, this happened before my time—perhaps was the worst one we had in the lower Mississippi before now; but it doesn't touch this one. We feel like, gentlemen of the committee, that here in our State—and of course the only people we can look to for the tremendous amount of money, the tremendous amount of work that's going to be required to give us the protection which we feel is required to protect us from these hurricanes, the only people we can look to, of course, are the people, the Federal Government in Washington, D.C., and the amount of money required to construct this is something beyond anything we can possibly hope to raise——

Mr. JONES. Governor, on Wednesday of this week, the House passed the Senate bill that provides for works to be done in the State of Louisiana. We have one navigation project of \$2,690,000, and the flood control, Bayou Bodcau, \$1,524,000; Caddo Dam, \$1,934,000; Grand Isle and vicinity, \$5,500,000—that's hurricane project—Lake Pontchartrain, \$56,235,000; Morgan City and vicinity, \$3,049,000; Ouachita and Monroe, \$520,000, in addition to the extension of the authorization of the lower Mississippi River for \$181,109,000.

Governor McKEITHEN. Those appropriations are in the papers; and as I say again, in behalf of the State, we are greatly appreciative of it; we are greatly appreciative for it; we feel like——

Mr. JONES. We should have gotten here a little bit earlier.

Governor McKEITHEN. We feel like, Mr. Chairman, very frankly, and of course you must be candid this morning, what you have done here is tremendous, and, as I say, it's a great step in the right direction, but it's actually just scratching the surface of the help we need in our State.

You know, the great bulk of our population, and the great wealth of our State is in the southern part of Louisiana along our coastal region. Not only do our citizens have tremendous investments there, but citizens throughout these United States have tremendous investments in the southern part of Louisiana. I don't mean to boast or brag about our State—there is no time for it now—but we are going through the process now of the greatest industrial development that has ever been seen in the Southern States. For example, there have been more new industries in our State in the first 6 months of this year than has ever been experienced in any previous year. The per capita income, personal income of citizens in Louisiana, gained more in the last 12 months than any other State in the Nation.

I am not attempting to give you a chamber of commerce speech, but I'm telling you this great development is principally occurring in this area that was flooded by this hurricane or in an area that could be flooded by a future hurricane. Those tremendous millions and hundreds of millions of dollars that have been invested here and will be invested there is not money invested by Louisianians; it's from citizens from throughout these United States of ours, Mr. Chairman, you are aware, but throughout the southern part of our State, the coastal region, we have no protection from hurricanes whatsoever, not only in this great metropolitan area of St. Tammany, St. Bernard, Plaquemines, and Orleans and Jefferson Parishes, but throughout our entire coastal region, we are sitting there at the mercy of the elements. I

say, and, as you know yourself, you gentlemen, of course, know the Federal Government itself has tremendous investment in the oil and gas industry in the Gulf of Mexico, while we, of course, realize there is no possible way to protect the wells out in the gulf from the fury of the hurricane; the bases where these wells and these industries are supplied are in the area that is susceptible to hurricane damage and the Federal Government, I say, itself—the Supreme Court has held, as you know, the great bulk of the oil and gas out beyond a certain limit, at least, belongs to them, not the State here. So I say, we are not only interested in gaining protection of the areas you have mentioned here, but we feel like sincerely that we must present to you, and that's the reason I am presenting to you a request, an application, an entreaty, if you please, for help for our entire coastal area of our State. I say, obviously, according to geologists and others, is perhaps the wealthiest piece of land—even though it is susceptible to hurricanes—is the wealthiest piece of land in the entire world.

There is no other land in the entire world that compares with the oil and gas development in the southern part of our State—it just isn't to be found; but we are sitting there, as I say, at the mercy of these hurricanes; and, by God's will, so far, we have escaped them. New Orleans, fortunately, has escaped anything like this before ever since it's been a city. Those hurricanes come out in the gulf; they say, "Well, it's never happened to us before, it won't happen this time." Previously, we have been expecting water from Lake Pontchartrain. Congressman Boggs, Congressman Hébert, Congressman Morrison, and Senator Long and Senator Ellender and others have helped us to get protection already to a certain extent there, but at this time, as you know, of course—you will hear testimony today if the engineers haven't already told you—our water didn't come out of Lake Pontchartrain. So, what we are faced with here in our State, as I say, is a general statement that the Federal Government, with the help of the State, to a much smaller extent, and the levee, drainage levee district here we have throughout Louisiana—I say "we have," because we are all a part of this Nation, this community; we have spent hundreds of millions of dollars to protect ourselves from water coming down the Mississippi River. We have the great Atchafalaya spillway where literally hundreds of billions have been spent, and the Bonnet Carre spillway right above this city, are all designed to let water out of that Mississippi when it got so high that it endangered New Orleans and other metropolitan areas. We have cut the Mississippi River in many places so the water can get faster and quicker to the gulf. We have built levees up and down the Mississippi and its tributaries are higher and stronger and stronger. We haven't had a 1927 flood, with the tremendous work the U.S. Engineers have done here with the assistance of our State engineers and local engineers, we feel like now we are almost completely protected from waters coming down that river on top of us; but it took this awful hurricane of 1965 to demonstrate and bring home to us once and for all that we certainly aren't protected from water coming up that river or from water coming in from the Gulf of Mexico on us. It's a tremendous problem.

Of course, I am just an official; for me to get here and suggest to this committee what we can do, what we should do, how we should do it to protect this, I say this great, wealthy part of this United States

of America from the tragedy of a similar hurricane, I can't—that's the engineers' part—but we state to you, gentlemen, that we have a tremendous project ahead of us. As I say, by your coming here, you have demonstrated you are interested in us. I think perhaps we are right in first immediately attempting to protect this metropolitan area where approximately a third of our citizens live; but then as I say, we must proceed I submit with protecting our entire coastal area. The parish of St. Mary is an example; it has no hurricane protection whatsoever. When a hurricane comes up out in that gulf, people in that extremely wealthy part of our State start evacuating and moving out—that's Morgan City. You are spending some money there. That's a town in that parish. Vermilion Parish is another, Senator LeBlanc's parish; Iberia Parish is another; Lafourche Parish—Lafourche Parish is a true, real French part of our State, people of French descent, people of tremendous courage who have been active, this time they escaped flood damage, tremendous flood damage. Of course, we know that until our scientists can determine how they can seed those storms and perhaps that may come sometime, and let them spend themselves out in the waters; we realize that our only help is hurricane protection; but Lafourche Parish, for example, people up and down Bayou Lafourche where the water is only 3 or 4 feet below the houses—it stays there naturally—they have no protection from hurricanes whatsoever, and hundreds and hundreds and millions of dollars are invested in Lafourche Parish. Grand Isle, you appropriated money for. I was in Grand Isle yesterday, a complete devastation; but, as I say, we plead with you not only as I say to consider protection of this metropolitan area, but to go out in the program immediately of protection for our entire coastal part of our State.

I want to say again how much we appreciate your coming here and we know that by your coming here that your heart is with us; that you realize we need help. We feel like in Louisiana that finally we are on the move in this great Southern State, the deepest of the Deep Southern States. We decided quite a while ago not to declare war on the United States of America. I gave this speech night before last, and I am happy to repeat it here that when civil rights legislation passed, that we seriously considered and calculated what our chances would be, and someone mentioned that the Union now had atomic weapons, and we couldn't possibly contain them, so we might as well be a part of this great Nation of ours. So, we are. We are proud of the part we played in this great Nation's history. We are proud of our great Nation's coming to our aid and our help in this time of trouble and distress.

I will be glad to answer any questions you have. I say, to the very best of our ability, we have compiled here an estimate of what we think our damages are. Many of our industrial concerns, for reasons known only to themselves, feel like they prefer not to make an estimate. We are very thankful for the overwhelming majority of our manufacturing concerns here in this State, in fact, very, very small few, the overwhelming majority escaped damage from this hurricane. Take the big Kaiser plant in St. Bernard, it's amazing the small amount of damage done there, a Chalmette industrial concern, where the wind really spent its fury and the floodwaters came; but we are very fortunate the tremendous number of industries in this State virtually

escaped damage. The maritime industry was hit hard. Of course, you read about that, and you will hear testimony I am sure from representatives of that industry; but as I say, I have in our prepared statement to the very best of our ability, an estimate to the damage to the various industries and the various segments of our economy in this State; and I will have copies made and leave them here with individual members of the committee when I leave here today. I will be glad to answer any questions that you are interested in that I may have skipped over or missed in my general statement here about our estimate.

Mr. GRAY. I want to commend the Governor for a very forthright and challenging statement. Governor, this committee can do certain things as far as authorizing hurricane protection, but what is your feeling concerning the need for an insurance program, hurricane insurance program?

Governor McKEITHEN. I think without question we have got to get some insurance for those poor people, particularly those in our State—I don't know what the system is in other States—but in our State, we don't have insurance for flood protection. As far as I know, there is no policy written here, and our great damage to our individuals, to our smallest citizens, looks like it's going to be from flood damage rather than wind damage; and I am sure Congressman Boggs and Congressman Hébert and Congressman Morrison and others here have advised you, perhaps you even witnessed some of the damage done to these individuals' personal belongings. In most cases—for example, their washing machines, refrigerators, their stoves were destroyed, and they hadn't even paid for them, and they have no insurance on them. I think without question the Federal Government and the State, perhaps a joint venture—I have no suggestion as to just how to do it—it must come up, some type of insurance program for these people who just can't get insurance, to insure them against such tragedies as this. I don't think it would be limited to floods, probably any other natural disaster that it's very difficult to obtain insurance for. I think it's a tremendous program; and I think this thing has taught us we must come up with something.

Mr. GRAY. Don't you feel, Governor, it should be a national program?

Governor McKEITHEN. I think so without question. I think it must be a national program, because I just don't think any State would be big enough to handle it. I don't know how you would suggest doing it, but I think certainly we have got to come up with some kind of program to give some insurance and some help rather than Red Cross to individuals who have lost all.

Mr. GRAY. I might mention the gentleman on my right, here from New Jersey, has a resolution pending to create a study commission to study this problem.

Governor McKEITHEN. I think that's the complete and proper way to commence it, call in our insurance companies—the insurance companies have been awfully kind to us here, doing all they can do to help us, just so much they can do—and get their ideas; but you gentlemen, of course, have more experience with that than I have and I think your suggestion, sir, if I were there, would be the way I would think it should be started.

Mr. BOGGS. First, let me join my colleague, Mr. Gray, from Illinois, in commending the Governor not only for his statement, but for the outstanding job he has done in behalf of our people since the disaster which occurred 2 weeks ago. I know how active and how dedicated the Governor has been and all of the facilities of the State government, I might say, and the city and parish governments involved as well.

Governor, I congratulate you on looking to the future. I think we have suffered a disaster, but it's certainly not irreparable; and I don't think it will slow down the growth of our State a bit.

In connection with the line of interrogation of my good friend from Illinois, I might make as a part of the record a copy of Public Law 1016 of the 84th Congress, which is a flood control insurance program. Congress, back in 1956, passed the Federal Flood Insurance Act of 1956—it's a law of the land—but unfortunately, it was never implemented, this act, and I would hope, Mr. Chairman, that as one of the good results of this disaster wherein individuals in their homes and in their farms—Governor, from what I have discovered, the two areas where we have very little direct assistance—we have other agencies that help, the Red Cross, private agencies, and of course, the Federal and State help in providing food and clothing, medicine, hospitalization; but the two areas where there is a real hiatus in the present disaster operations is in the case of the farmer, and particularly so in our State in the sugar-growing section where we had Hilda last year and now this hurricane.

(Public Law 1016 follows:)

PUBLIC LAW 1016, 84TH CONGRESS, 2D SESSION

AN ACT To provide insurance against flood damage, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Flood Insurance Act of 1956".

FINDINGS AND DECLARATION OF PURPOSE

SEC. 2. (a) The Congress finds that in the case of recurring natural disasters, including recurring floods, insurance protection against individual and public loss is not always practically available through private or public sources. With specific reference to insurance against flood loss, the Congress finds that insurance against certain losses resulting from this peril is not so available. Since preventive and protective means and structures against the effects of these disasters can never wholly anticipate the geographic incidence and infinite variety of the destructive aspects of these forces, the Congress finds that the safeguards of insurance are a necessary adjunct of preventive and protective means and structures.

Inasmuch as these disasters impede interstate and foreign commerce, hamper national defense, and cause widespread distress and hardship adversely affecting the general welfare, without regard to State boundary lines, and in the absence of insurance protection from private or public sources, the Congress ought to provide for such protection in the case of flood, and study the feasibility and need for similar programs in the case of other forms of natural disaster against which insurance protection is not generally and practically available in all geographic areas.

(b) (1) It is the purpose of this Act to authorize the establishment of a program of Federal insurance and reinsurance against the risks of loss resulting from flood as hereinafter defined, and to require a study and report on insurance and reinsurance against still other natural disaster perils to the extent that such insurance or reinsurance is not available on reasonable terms and conditions from other public or private sources; and

(2) It is the further purpose of this Act to encourage private insurance companies to write insurance covering the extent of the risks above the limits prescribed in section 10(a) and to provide Federal reinsurance to the extent desirable and necessary to carry out this purpose.

(3) It is the further purpose of this Act to authorize the establishment of a program of loans, and a program combining insurance and loans, to assist flood victims who have entered into contracts with the Administrator under this Act.

ADMINISTRATION

SEC. 3. (a) To assist in carrying out the functions, powers, and duties vested in him by this Act, the Administrator may appoint a Commissioner, and the basic rate of compensation of such position shall be the same as the basic rate of compensation established for the Commissioners of the constituents of the Housing and Home Finance Agency.

(b) The provisions of the Government Corporation Control Act, as amended, shall apply to the functions vested in the Administrator by this Act, to the same extent as applicable to wholly owned Government corporations.

(c) In the performance of, and with respect to, the functions, powers, and duties vested in him by this Act, the Administrator, notwithstanding the provisions of any other law, shall maintain an integral set of accounts which shall be audited annually by the General Accounting Office in accordance with the principles and procedures applicable to commercial transactions as provided by the Government Corporation Control Act, as amended, and no other audit shall be required: *Provided*, That such financial transactions of the Administrator as the issuing of insurance policies, the making of reinsurance agreements, and the making and guaranteeing of loans, and vouchers approved by the Administrator in connection with such financial transactions, shall be final and conclusive upon all officers of the Government.

AUTHORITY TO INSURE AND REINSURE

SEC. 4. To aid in carrying out the purposes of this Act, the Administrator is authorized to provide, upon such terms and conditions (including coinsurance requirements) as he may establish, insurance and reinsurance against loss resulting from damage to or destruction of real or personal property (including property owned by any State or local government) due to flood, as hereinafter defined, occurring within the United States: *Provided*, That insurance policies issued under this Act after June 30, 1959, shall be issued only with respect to property in those States which participate as provided in section 7(a) of this Act.

LOAN CONTRACTS

SEC. 5. (a) The Administrator is authorized to enter into contracts with any persons (not including State and local governments and agencies thereof) to the effect that, in the event of any subsequent loss resulting from damage to or destruction of real and personal property due to flood, as hereinafter defined, occurring within the United States—

(1) the Administrator will guarantee any public or private financing institution against loss of principal and interest with respect to any loan in an amount not to exceed such subsequent flood loss (as modified by subsection (f) of this section, relating to deductibility), which may be made by such institution to any such person in connection with such flood loss; and

(2) to the extent that a loan to finance such flood loss is not available from any such institution on reasonable terms, the Administrator will make a loan directly to such person in an amount covering all or part (as provided for in the loan contract between the Administrator and such person) of the difference between the amount of such flood loss (as modified by such subsection (f), relating to deductibility) and the amount of the loan available from such institution.

Each such contract shall contain such terms and conditions and require from any such person such monetary consideration, as the Administrator may prescribe by regulation. In issuing such regulations the Administrator shall fix such monetary consideration at the lowest practicable amount, following generally the same principles as apply under section 7(a) with respect to the establishment of fees for insurance.

(b) Any loan made or guaranteed under this section shall bear interest at the rate, as determined by the Administrator, which is prevailing in the area where

the money loaned is to be used but such rate shall not exceed 4 per centum per annum on the unpaid principal balance.

(c) Any Federal Reserve bank, when designated by the Administrator, is hereby authorized to act, on behalf of the Administrator, as fiscal agent of the United States in guaranteeing loans under this section and in otherwise taking action in connection with such guarantees. Such funds as may be necessary to enable such bank to carry out any such guarantee shall be supplied and disbursed by or under authority of the Administrator from the Disaster Loan Fund. Such bank shall not have any responsibility or accountability except as agent in taking any action in connection with such guarantees. Each such bank shall be reimbursed by the Administrator, from funds appropriated by the Federal Government, for all expenses incurred by the bank in acting as agent on behalf of the Administrator, including among such expenses, notwithstanding any other provision of law, attorneys' fees and expenses of litigation.

(d) Actions and operations of such banks under authority of subsection (c) of this section shall be subject to the supervision of the Administrator and subject to such regulations as he may prescribe. The Administrator is authorized to prescribe the term and incidental charges for loans guaranteed under subsection (c) of this section. The Administrator is further authorized to prescribe regulations with respect to the forms and procedures (which shall be uniform to the maximum extent practicable) to be utilized in connection with such guarantees.

(e) To the maximum extent practicable, loans under this section shall be on a long-term basis in accordance with regulations prescribed by the Administrator, if so requested by the person obtaining the loan.

(f) Loans under this section shall be made only with respect to amounts exceeding the first \$500 of the amount of the loss.

(g) The face amount of all loan contracts outstanding under this section at any one time shall not exceed \$2,000,000,000; but such amount may be increased, with the approval of the President, by not to exceed \$500,000,000 in any one fiscal year.

(h) The provisions of sections 8, 9, 10(a), 10(b), 12(b), 12(c), 13, 14, 15(e), 15(g), 17(a), 18, 19, 20, 22, and 23 of this Act shall be applicable with respect to the loan contract program under this section.

COMBINATION OF INSURANCE AND LOANS

SEC. 6. The Administrator is authorized to establish, under such regulations as he may prescribe, a program combining insurance and loans in order to provide the greatest variety and amount of protection against loss to the greatest number of affected parties in accordance with individual needs.

ESTIMATED RATES AND FEES

SEC. 7. (a) The Administrator shall from time to time establish a schedule of "estimated rates" for insurance offered under the provisions of this Act, which would be adequate, in his judgment, to produce sufficient proceeds to pay all claims for probable losses over a reasonable period of years. Such "estimated rates" shall be used as a basis for determining the fees to be paid by the persons insured. They shall be based on consideration of the risks involved and shall be uniform for similar risks within a given classification of property. They shall not include any loading for administrative expenses of the Federal Government under this Act. The Administrator shall establish a schedule of fees to provide insurance protection at reasonable costs designed to achieve marketability: *Provided*, That no insurance policy shall be issued for a fee less than 60 per centum of such "estimated rate." The Administrator is authorized to establish such classifications of fees as he deems necessary to carry out the purposes of this Act based on the use of the property to be insured, the availability of insurance from private sources covering such property, and the ability of the insured to self-insure or reinsure and may establish differentials in levels of fees for such classifications: *Provided*, That all such fees shall be uniform for similar risks within a given classification of property. Prior to July 1, 1959, the Administrator shall pay into the Disaster Insurance Fund, hereinafter created, from time to time, an amount equal to the difference between the fees charged for insurance policies issued and the amount which would have been charged if the "estimated rates" were applied: *Provided*, That after June 30, 1959, each State shall pay from time to time into the Disaster Insurance Fund,

an amount equal to one-half the difference between the fees charged for insurance policies issued after such date on property in such State, and the amount which would have been charged if the "estimated rates" were applied, and the Administrator shall pay into such Fund, from time to time, an amount equal to the State's contribution for each policy issued.

(b) The Administrator from time to time shall also negotiate with insurance companies seeking reinsurance for the purpose of establishing fees for reinsurance offered under the provisions of this Act. Such fees shall be based on consideration of the risks involved and shall be adequate, in the judgment of the Administrator, to produce sufficient proceeds over a reasonable period of years to pay all claims for losses. The fees shall not include any loading for administrative expenses of the Federal Government under this Act.

PROPERTY AND LOSS LIMITS

SEC. 8. The Administrator is authorized to provide for the determination of types and location of property with respect to which insurance or reinsurance shall be made available under this Act, the nature and limits of loss or damage in any area (including subdivisions thereof) which may be covered by such insurance or reinsurance, and such other matters as may be necessary to carry out the purposes of this Act.

RISK CLASSIFICATION

SEC. 9. The Administrator may from time to time issue appropriate regulations regarding the classification, limitation, and rejection of risks assumed by him under authority of this Act.

POLICY AND PROGRAM LIMITS

SEC. 10. (a) The outstanding face amount of insurance issued by the Administrator under this Act shall not exceed \$250,000 per person: *Provided*, That the face amount of such insurance on any dwelling unit (including any structures and personal property connected therewith) shall not exceed \$10,000.

(b) The Administrator may from time to time issue appropriate regulations regarding insurance coverage available to joint owners and subsidiary and affiliated corporations as he shall deem advisable to effectuate the purposes of this Act.

(c) Each insurance policy issued by the Administrator shall contain a loss-deductible clause relieving him from any liability for paying the first \$100 of a proved and approved claim for loss, plus 5 per centum of the remainder, or such larger amount or percentage as may be specified by the Administrator upon issuance of the insurance policy, taking into consideration the class of risk involved.

(d) The face amount of insurance policies and reinsurance agreements outstanding at any one time under this Act shall not exceed \$3,000,000,000 (which limit may be increased with the approval of the President by further amounts not to exceed \$2,000,000,000 in the aggregate if such increase is deemed advisable to effectuate the purposes of this Act) minus the aggregate amount of claims proved and approved under insurance policies and reinsurance agreements issued under this Act, but plus fees collected hereunder. For the purpose of applying this limitation, the face amount of any policy or agreement shall be deemed to be the original amount minus claims proved and approved thereunder.

REINSURANCE REGULATORY AUTHORITY

SEC. 11. (a) The Administrator is authorized to issue such regulations regarding reinsurance under this Act as he deems advisable in order to carry out the purposes of this Act.

(b) The premium rate and terms and conditions of any policy reinsured under the provisions of this Act shall be subject to approval by the Administrator.

(c) The Administrator shall use his best efforts to encourage private insurance companies to undertake the issuance of insurance policies covering that portion of the loss in excess of the limits specified in section 10(a) of this Act resulting from damage to or destruction of real or personal property due to flood as defined in this Act. The Administrator may seek to achieve this end by offering a program of appropriate reinsurance within the authority granted him by this Act.

(d) Wherever practicable, the Administrator may encourage, by offering suitable reinsurance subject to the provisions of this Act, the issuance by private insurance companies of policies insuring against loss resulting from damage to or destruction of real or personal property due to flood.

NONDUPLICATION OF AVAILABLE INSURANCE

SEC. 12. (a) No insurance or reinsurance, or loan contract, shall be issued under the provisions of this Act covering risks against which insurance is available on reasonable terms from other public or private sources.

(b) No insurance or reinsurance shall be issued under the provisions of this Act on any property declared by a duly constituted State or local zoning authority, or other authorized public body, to be in violation of State or local flood zoning laws.

(c) After June 30, 1958, no insurance or reinsurance shall be issued under the provisions of this Act in any geographical location unless an appropriate public body shall have adopted and shall keep in effect such flood zoning restrictions, if any, as may be deemed necessary by the Administrator to reduce, within practicable limits, damages from flood in such location.

USE OF OTHER PUBLIC AND PRIVATE FACILITIES

SEC. 13. (a) In providing insurance or reinsurance under this Act, the Administrator shall use to the maximum practicable extent the facilities and services of private organizations and persons authorized to engage in the insurance business under the laws of any State (including insurance companies, agents, brokers, and adjustment organizations); and the Administrator may arrange for payment of reasonable compensation therefor.

(b) In providing insurance or reinsurance under this Act, the Administrator may use the services of other public agencies, and pay reasonable compensation therefor.

(c) The Administrator may supply, receive from and exchange with other agencies of the Federal Government, State, local, and interstate commissions or agencies, and private organizations experienced in the fields of insurance or reinsurance, such information as may be useful in the administration of the programs authorized by this Act.

(d) In carrying out the functions authorized in this Act, the Administrator may consult with other agencies of the Federal Government and interstate, State, and local public agencies having responsibilities for land use and flood control and for flood zoning and flood-damage prevention in order to assure that the insurance and reinsurance programs are consistent with the programs of such agencies. Where the program of the Administrator may affect existing or proposed flood-control works under the jurisdiction of agencies of the Federal Government these agencies shall cooperate with the Administrator in coordinating their respective programs. The Secretary of Agriculture and the Administrator shall coordinate the administration of their respective programs relating to flood insurance and reinsurance for agricultural commodities.

(e) The Administrator may from time to time consult with representatives of the various States to the extent deemed necessary by him to effectuate the purposes of this Act.

CLAIMS PAYMENT AND JUDICIAL REVIEW

SEC. 14. (a) Under such regulations as the Administrator may prescribe, he shall arrange for prompt adjustment and payment of valid claims for losses covered by insurance or reinsurance under this Act

(b) Upon disallowance of any claim against the Administrator under color of any insurance or reinsurance made available under this Act, or upon refusal of the claimant to accept the amount allowed upon any such claim, the claimant may institute an action against the Administrator on such claim in the United States district court in which a major portion (in terms of value) of the insured property is located. Any such action must be begun within one year after the date upon which the claimant receives from the Administrator written notice of disallowance or partial disallowance of the claim. For the purposes of this section, the Administrator may be sued and he shall appoint one or more agents within the jurisdiction of each United States district court upon whom service of process can be made in any action instituted under this section. Exclusive jurisdiction is hereby conferred upon all United States district courts to hear and determine such actions without regard to the amount in controversy.

FUNDS AND TREASURY BORROWINGS

SEC. 15. (a) To carry out the purposes of this Act, the Administrator is authorized to establish three funds to be known as the (1) Disaster Insurance Fund, (2) Disaster Reinsurance Fund, and (3) Disaster Loan Fund.

(b) Into the Disaster Insurance Fund shall be deposited all insurance fees collected by the Administrator for insurance policies issued by him under this Act, and the contributions made by the Administrator and the respective States in accordance with section 7(a) of this Act. Into the Disaster Reinsurance Fund shall be deposited all fees collected by the Administrator in connection with reinsurance made available by him under this Act. Into the Disaster Loan Fund shall be deposited amounts accruing to the United States in connection with loan contract transactions.

(c) Moneys in each of the funds may be invested in obligations of the United States or in obligations guaranteed as to principal and interest by the United States. Such obligations may be sold and the proceeds derived therefrom may be reinvested as above provided if deemed advisable by the Administrator. Income from such investment or reinvestment shall be deposited in the respective fund from which the investment was made.

(d) All salvage proceeds realized by the Administrator in connection with insurance made available under this Act shall be deposited in the Disaster Insurance Fund; and all salvage proceeds realized by the Administrator in connection with reinsurance made available under this Act shall be deposited in the Disaster Reinsurance Fund.

(e) The Administrator is authorized to issue to the Secretary of the Treasury from time to time and have outstanding at any one time, in an amount not exceeding \$500,000,000 (or such greater amount as may be approved by the President) notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions as may be prescribed by the Administrator, with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States of comparable maturities as of the last day of the month preceding the issuance of such notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations to be issued hereunder and for such purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchases of such notes and obligations.

The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States. Funds borrowed under this section shall be deposited, in such proportions as the Administrator deems advisable, in the Disaster Insurance Fund, the Disaster Reinsurance Fund, and the Disaster Loan Fund.

(f) Moneys in the Disaster Insurance Fund, the Disaster Reinsurance Fund, and the Disaster Loan Fund may be used for the following purposes as deemed necessary by the Administrator:

(1) To pay from the Disaster Insurance Fund proved and approved claims for loss under, and other nonadministrative expenses arising in connection with, insurance policies issued by the Administrator under this Act;

(2) To pay from the Disaster Reinsurance Fund proved and approved claims under, and other nonadministrative expenses arising in connection with, reinsurance agreements entered into by the Administrator under this Act;

(3) To pay from the Disaster Loan Fund the amounts of loans made by the Administrator, amounts in payment of guarantees, and other nonadministrative expenses in connection with direct and guaranteed loans under this Act; and

(4) To repay to the Secretary of the Treasury sums borrowed from him in accordance with the provisions of subsection (e) of this section.

(g) All administrative expenses of the Federal Government under this Act shall be paid from funds appropriated by the Federal Government.

ADVISORY COMMITTEE

SEC. 16. In carrying out his functions under this Act, the Administrator shall appoint an advisory committee as authorized by section 601 of the Housing Act of 1949, as amended (68 Stat. 590, 645). Such committee shall consist of not less than three nor more than fifteen persons familiar with the problems of insurance or reinsurance, to advise the Administrator with respect to the formulation of policies and the execution of functions under this Act.

STUDIES

SEC. 17. (a) The Administrator shall undertake a continuing study of the practicability of extending the coverage of insurance programs similar to those authorized under this Act to any one or more natural disaster perils, other than flood, against which, and for the period during which, insurance protection is not generally and practically available in all geographical locations from other public or private sources.

(b) The Administrator shall also undertake a continuing study of participation by private insurance companies in the programs authorized by this Act, in order that the protection it authorizes can be provided, whenever practicable, through insurance policies issued by private insurance companies and reinsured with the Administrator, in lieu of providing such protection through insurance policies issued in the name of the Administrator.

(c) The Administrator shall undertake a continuing study of the feasibility of having private insurance companies take over, with or without some form of Federal financial support, the insurance programs authorized by this Act.

ADDITIONAL FUNCTIONS

SEC. 18. For the purpose of carrying out functions under this Act the Administrator may—

(a) sue or be sued;

(b) without regard to sections 3648 and 3709 of the Revised Statutes, as amended (31 U.S.C. 529 and 41 U.S.C. 5), and section 322 of the Act of June 30, 1932 (47 Stat. 412, as amended (40 U.S.C. 278a)), enter into and perform contracts, leases, cooperative agreements, or other transactions, on such terms as he may deem appropriate, with any agency or instrumentality of the United States, or with any State or agency or political subdivision thereof, or with any person, firm, association, or corporation and consent to modification thereof, and make advance or progress payments in connection therewith;

(c) without regard to sections 3648 and 3709 of the Revised Statutes, as amended (31 U.S.C. 529 and 41 U.S.C. 5), and section 322 of the Act of June 30, 1932 (47 Stat. 412, as amended (40 U.S.C. 278a)), by purchase, lease, or donation acquire such real and personal property and any interest therein, make advance or progress payments in connection therewith, and hold, use, maintain, insure against loss, sell, lease, or otherwise dispose of such real and personal property as the Administrator deems necessary to carry out the purposes of this Act;

(d) appoint, pursuant to civil service laws and regulations, such officers, attorneys, and employees as may be necessary to carry out the purposes of this Act; fix their compensation in accordance with the provisions of the Classification Act of 1949, as amended; define their authority and duties; provide bonds for such of them as he may deem necessary; and delegate to them, and authorize successive redelegations by them, of such of the powers vested in him by this Act as he may determine;

(e) conduct researches, surveys, and investigations relating to flood insurance and reinsurance and assemble data for the purpose of establishing estimated rates, fees, and premiums for flood insurance and reinsurance under this Act;

(f) issue such rules and regulations as he deems necessary to carry out the purposes of this Act; and

(g) exercise all powers specifically granted by the provisions of this Act and such incidental powers as are necessary to carry out the purposes of this Act.

RESERVATION OF RIGHTS IN REAL ESTATE ACQUIRED

SEC. 19. The acquisition by the Administrator of any real property pursuant to this Act shall not deprive any State or political subdivision thereof of its civil or criminal jurisdiction in and over such property or impair the civil rights under the State or local law of the inhabitants on such property.

TAXATION

SEC. 20. Nothing in this Act shall be construed to exempt any real property, acquired and held by the Administrator in connection with the payment of any claim under this Act, from taxation by any State or political subdivision thereof, to the same extent, according to its value, as other real property is taxed.

ANNUAL REPORT

SEC. 21. The annual report made by the Administrator to the President for submission to the Congress under existing law on all programs provided for under this Act shall contain a comprehensive report concerning (1) the operation of insurance, reinsurance, and loan programs authorized under this Act, and (2) the status and result of studies authorized under section 17 of this Act, together with such recommendations, if any, for legislative changes deemed by the Administrator desirable to improve the operation of programs authorized under this Act. The annual report for the calendar year ending December 31, 1958, shall contain a list of the States which can be expected to participate in the insurance program authorized by this Act after June 30, 1959. The annual report for the calendar year ending December 31, 1961, shall contain an express opinion of the Administrator, supported by pertinent findings, concerning the advisability of withdrawing in whole or in part Federal financial support for insurance policies to be issued at any time after June 30, 1962, offering protection as authorized in this Act, taking into consideration the desirability of offering such protection. Such opinion shall be accompanied by recommendations for legislative changes deemed desirable by the Administrator in the event the opinion is to the effect that any such withdrawal of financial support is advisable.

DEFINITIONS

SEC. 22. As used in this Act the term—

(a) "Flood" includes any flood, tidal wave, wave wash, or other abnormally high tidal water, deluge, or the water component of any hurricane or other severe storm, surface landslide due to excess moisture, and shall have such other meaning as may be prescribed by regulation of the Administrator.

(b) "Person" means an individual or group of individuals, corporation, partnership, association, or any other organized group of persons, including State and local governments and agencies thereof;

(c) "United States", when used in a geographic sense, means the several States, the District of Columbia, the Territories, the possessions, and the Commonwealth of Puerto Rico;

(d) "State" includes the several States, the District of Columbia, the Territories, the possessions, and the Commonwealth of Puerto Rico; and

(e) "Administrator" means the Housing and Home Finance Administrator.

SEPARABILITY PROVISION

SEC. 23. If any provision of this Act or the application of such provision to any person or circumstances shall be held invalid, the remainder of the Act and the application of such provision to any person or circumstance other than those as to which it is held invalid shall not be affected thereby.

Approved August 7, 1956.

Governor McKEITHEN. It hurt our cotton farmers also, badly, too.

Mr. BOGGS. Right, and also the case of the individual homeowners—Grand Isle, you mentioned, is a very good example; and, of course, in lower New Orleans in Congressman Hébert's district and in other places in the State. Now, we need Federal legislation in that area; and Congressman Jones has assured me that one of the purposes of this visit is to accomplish this whole program, everything. This commit-

tee has power to legislate on the whole area of disaster, the present and the future as well; and I would hope that they would take a long, hard look at those immediate, personal problems affecting these people. I would hope also that the committee would recommend, in line with your suggestions, that this act, which is now a part of the law, be implemented so that, if a similar disaster occurs, we won't have to have special legislation; we will have this legislation implemented by the Federal Government.

As everybody knows, it's literally impossible for private insurance companies to write flood control insurance because only the people who live in those areas are subject to flood are going to buy flood control insurance; and that's what has been the problem. We have not implemented this act; and I want to call it to your attention.

Mr. HÉBERT. We are very pleased to have you, Governor; sorry to play on your time—

Governor McKEITHEN. My time is your time, Congressman.

Mr. HÉBERT. Your time is my time. My colleagues from Illinois and Louisiana have indicated something which I feel very deeply about, and I just want to hope to associate myself and my colleagues from New Orleans along these thoughts of this insurance; however, I am usually the devil's advocate, and I do not enjoy the role, but I believe it's a necessary one, and I want to bring into sharp focus in order to understand exactly what can be done in this area, and I think this is the time, Mr. Chairman, to discuss the matter.

I appreciate the fact you allow me to sit in on your committee this morning, and of course appreciate the fact that you have come to New Orleans. I appreciate the delegation's and the entire Louisiana delegation's cooperation.

Now, in your flood insurance, which Congressman Boggs has referred to, in case you gentlemen in the audience or interested people don't know, the law was passed, but it was not implemented. Now, this was back in the 84th Congress.

Governor McKEITHEN. What do you mean, "wasn't implemented"?

Mr. HÉBERT. Exactly what I am getting to. You had no money. "No tickee, no laundry." That's the situation. So, what good does it do if Congress passes a bill, and doesn't give the wherewithal to carry it out?

Governor McKEITHEN. Congressman Hébert, may I interject something right here? Of course, Louisiana is paying a terrible price to have the national spotlight upon us by this tremendous disaster, but I think what it has done, even though we are paying a terrible price to get it would emphasize the fact we must have help here in this State for flood and hurricane protection. Perhaps I say this very awful hurricane that has done so terribly much to "your tickee"; I can't help but believe it will help you and the other Congressmen in our area to get the necessary appropriations to implement that law.

The 1927 flood brought us a tremendous levee protection. We couldn't have gotten it unless we had the 1927 flood; but now we have cured that; we are safe from that. I say here, this awful thing makes us realize we have got to start a similar project, a similar program for that, and I say I think it also will give impetus, and I would hope in the National Congress, would give you gentlemen, if you deem it advisable and wise, of giving implementation to the act which you mentioned.

Mr. HÉBERT. That's what I mean by bringing to your attention and to the attention of the members of the committee. This committee in particular—certainly nobody from Louisiana would have ever thought that the Public Works Committee was not cooperating with the State of Louisiana, and in particular your chairman of your subcommittee; they have done a magnificent job as far as Louisiana is concerned.

Governor McKEITHEN. They have done a tremendous job of protecting us, I think, in just about every fury that we have asked them to come and protect us.

Mr. HÉBERT. What I am projecting into the discussion now is the complete understanding of the jurisdiction of the committee and the realities of life. Here is an act passed by the 84th Congress and nothing was done about it. This was a flood in Carolina. Here we have a piece of legislation, which under the duration of the present chairman here was passed in California last year, Public Law 89-41 of the 89th Congress, yet this is a temporary piece of legislation for flood—I think there was \$3 million involved, a very excellent job; but I think in discussing these matters and I won't belabor it, but I think it's important that here we should not merely pass temporary legislation; we should look not only at the local people, the local parochial people, but certainly on a national level. My friends in the military here well know what military planning is and what war plans are; they don't wait for war to break out; and I am sure the chairman is so cognizant of this, and I would like now, Mr. Chairman, in order to bring it to a head on this discussion, you, this committee, has jurisdiction of legislation for insurance as related to what and to what extent?

Mr. JONES. Well, if it involves the construction program, a program that would require a disaster and sharing type of operation, then this committee could proceed to consider bills of that nature.

Mr. HÉBERT. Now, in the area, that is understandable.

Mr. JONES. The jurisdiction as established in the Reorganization Act of 1946 gives to the committee broad discretion in all fields of public works, as I stated in my opening statement, the jurisdiction of highways, flood control, rivers and harbors, Tennessee Valley Authority, just a variety of programs, building programs. You referred to the act we passed this year for relief of the Pacific Northwest which was an act to rehabilitate that area to reconstruct access roads, railroads, revetment works, just a long list of projects had to be initiated at an early date at a total cost of \$110 million.

Mr. HÉBERT. I recognize that now, but the question I would appreciate if you would answer for the record also—you may refer to the public works; this is right—but now I am addressing myself only for the question of inquiry as to the jurisdiction of this committee in the area of that little homeowner. Would you have jurisdiction over him or is that to go to some other committee?

Mr. JONES. Well, I don't think it's quite that abstract. I would hate very well to answer the question until I have a bill to examine and make the guess as to whether or not—

Mr. Boggs. Well, Mr. Chairman, I can answer the question because I have introduced a bill that has been referred to your committee, Disaster Relief Act of 1965, and it has already passed the Senate, and provides for direct aid to homeowners, farmowners, and others, direct grants, and it's now pending before Mr. Jones' committee.

Mr. HÉBERT. Well, then, this discussion is pertinent.

Governor McKEITHEN. Well, I say it's a vital subject we are discussing here. For example, the people who have lost all—I say “all” those small homeowners or wage earners, salaried people who were buying their home on time, were paying for all of their appliances on time, now have tremendous damage to their home, no insurance for flooding, no insurance to help them along because of flooding; now they are faced with not only having to pay off installments on the personal things that are completely destroyed; and if you have driven down the streets, everything in their house has been brought out and dumped in the street, and we are trying to haul it off now. Now, they are forced, I say faced with a situation of buying some more. I know of no program, State or Federal, where there are direct grants. Red Cross, and I have talked with them at length, told me they have come here and are going to stay here, and they plan to spend millions of dollars here—they told me so—to try the best they could to put people as near as they could back on their feet where they were. I say, we are greatly appreciative of it. Let me say again, I would like to emphasize this thing that Congressman Boggs said—we have been hurt; other areas of our country have been hurt before—we are not down and out; we are not sitting up here and saying, “Come feed us, come take care of us”; we are up and going. If you go down to Bayou Lafourche in Lafourche Parish, Congressman Willis' district, for example, the spirit of our people—I went there, Senator Long and I, the Sunday after the storm—those people there, 90 percent who are French descent, those people there, who are hardy, great citizens of our country, are up on top of the roofs fixing their houses; most of them have very little insurance coverage, if any, and they are just as happy as could be, accept it as an act of God, and going along about their business and building back. That's the spirit generally in our State.

I say, we have been hurt, but we are already up and moving again. What we are trying to do now—I say, we realize we are cognizant of the help we can expect right now, but what we are saying to you gentlemen of this committee is that we are asking you to help us in the Congress get help that will see this won't happen again because it will probably take us—it's going to take this city probably another couple weeks to get back where it was—some parts of it are pretty well back where it was—Baton Rouge, except for that chlorine barge in 65 feet of water, which I think is safer there than it was before the storm came and others agree with me on that; other than that sensational thing, we are getting along awfully good in Baton Rouge, and in Bayou LaFourche, they are up and going. We are moving back. Our purpose now, as I say, is to prevent it from happening again.

Mr. Boggs. Let me give you an example of where we can give direct assistance to the individuals who have been disastrously affected by this event. Now, I refer again to our farmers, many of them who suffered real disaster. Under the present regulations, laws, as I understand them, the farmer who was wiped out last year by Hilda has got to go in and prove for all practical purposes that he is bankrupt before he can get a new loan——

Governor McKEITHEN. Most of them are, but they hate to admit it publicly.

Mr. Boggs. Exactly; he has to make a declaration he can't get any loans anywhere else, which is an unbelievable provision in the law.

Now, this committee, operating under one or two jurisdictions, the chairman has assured me that they can do one of two things: they can either consider an act which would cover every conceivable disaster that may arise in the future history of the United States; of course, we can put an effective date in it—or they can do what they did in the last—did in the Pacific Northwest; namely, take a special act to cover this special disaster; and there are some situations here that are very special. For instance, we have, as you well know, a very well developed, private school system here in Louisiana, parochial and otherwise.

Governor McKEITHEN. Unfortunately, as I understand, they can't expect OEP—

Mr. Boggs. Under existing OEP legislation, they can't get anything.

Governor McKEITHEN. It isn't fair, because it's taking a load off our public school system, but that's the law.

Mr. Boggs. This committee has jurisdiction to change that; and in addition to that, we have passed an act in the House, pending in the Senate, which can be amended to take care of that situation. Also, we have a great many private colleges in this area particularly. We have Tulane, Loyola, Dominican, Xavier, Dillard, LSU-New Orleans—of course, is not private; it's covered; but these universities and colleges have suffered great damage; and again, we need legislative relief in that area. So, there is a large area you are looking at.

Governor McKEITHEN. I repeat again, Congressman Boggs, it was a terrible price for us to pay; but I think this storm has pointed up, not only for Louisiana, but for our entire Nation, that in cases of natural disaster similar to this, or any other nature, that we all must pitch in and help those who have been hurt more so than we are doing actually now. Let me say this about the Office of Emergency Planning: Mr. Hastings, the regional director, and I know you gentlemen who had, I am sure, a great deal in forming it and activating it and furnishing it with money to operate; they are doing a tremendous job for us here in this State. We greatly appreciate it. They came here—we had the hurricane last year, anyone who knows OEP, we are awfully proud of them, and we are greatly appreciative of what they are doing, Mr. Hastings and the people who are with him; we couldn't ask for any more kinder, any more cooperative than they have been. I would like to put that plug in right here.

Mr. JONES. In this vast area we flew over last evening where all these homes were flooded and those people are confronted with going back in, rebuilding their homes, refurnishing their homes—are there any works that could be built or recommended to be built to protect that area?

Governor McKEITHEN. Yes, sir; no question, we can protect the metropolitan area with the possible exception—I don't know—I don't know what is in the immediate appropriation; Congressman Boggs knows there is no question this can be completely protected.

Mr. JONES. Is that sort of a hopeless situation?

Governor McKEITHEN. Well, being completely protected; as I say, we were protected from anything we ever had before. We found we just could expect it to get worse. I say we dare not—perhaps this won't happen again in my lifetime or yours; the tremendous odds are that it won't; again, it might happen next year. That storm started working up in the Atlantic; it started up the eastern seaboard as you

know, came back and hit the tip of Florida, got out in the Gulf, and headed toward Texas. I said, "Well, I don't want to wish anything off on the State of Texas, but they handle such big things there that perhaps they can handle this storm"; and thinking it was headed toward Texas, I started saying a prayer for our bigger cousins and neighbors over there. I went up to north Louisiana to a high school football game that some of my relatives were on. I said, "Call me every 30 minutes about the storm." So, they said, "It's headed toward Galveston." I said, "Well, those Texans will just handle that storm just like that." Then they said, "No, it's now headed toward Mississippi." I said, "Well, those poor Mississippians have had such a hard time lately, I hate to see them get it, but if it's got to come to one of us, perhaps surely they can handle it better than we can." Then, about 1:30 in the afternoon, they said, "This thing is headed for our State." I said, "I will be in Baton Rouge in 40 minutes," and was. As I say, it looks like these storms for some reason, perhaps our Weather Bureau people can tell us, we in Louisiana are just their pets; they just love us here, these storms, these fickle hurricanes just love this State. Why, I don't know. They take dead aim on the Mississippi Valley and Lafourche, the area between Lafourche and Mississippi, and here they come. I have been Governor now, and I say it just shouldn't happen to one Governor; I have had two hurricanes, and I haven't been Governor but a year and 4 months. It just isn't quite fair; but I hope and pray that I get through my 4 years without any more.

Mr. JONES. Governor, I hope you don't have any more experience along that line.

Mr. WILLIS. Governor, I think the generality of your presentation is made necessary by the situation that confronts us. I don't suppose it would be possible to bring one single committee of Congress that could possibly have jurisdiction over all our problems, but I am sure that these members of this Public Works Committee are interested as Members of Congress in the broad problems, and as I say, you have covered matters that perhaps—

Governor McKEITHEN. Well, I thought perhaps I shouldn't—

Mr. WILLIS (continuing). But I think that's the right approach.

Governor McKEITHEN. Various problems have arisen as a result of this hurricane, not only hurricane protection.

Mr. WILLIS. I think you are wise and it is appropriate to make the general case. This comes to me—I see some people here with the Agricultural Department of the Federal Government; and this committee may not have direct jurisdiction over it, but one of the most serious problems here, and I see Fritz Spencer with Home Owners' Act Administration; we have had talks over the years, and I have—if that's the right word—read a great deal about it. For example, in the farm area—let's put it on the table, because we are all interested in farms, too, besides reconstruction that we have been talking about. A farmer may hold for last year's fertilizer or tractor or seed, labor; the bills are here and there; a fisherman may have lost his boat, it's damaged. The farmer and the fisherman have gone over 2 successive years of disaster. There ought to be—it would have to be very carefully drawn—some kind of legislation to permit these fishermen and these farmers to consolidate that debt—not to bail out the creditors, not to pick up bad notes from the banks and so on—but debts that they owe.

which is attributed to 2 successive years of disaster, the Federal Government through SBA—if the law doesn't reach that, we should make it reach it, to consolidate those debts and give relief. Now, that may be beyond the jurisdiction of this committee, but unless we do that for these farmers and these fishermen, it's just like a man being in a 30-foot-deep well, and you send him down a 25-foot rope to save him; you haven't reached him. As I say, I compliment you on the general problem.

Governor McKEITHEN. I think you are right, Congressman Willis; I think if the Congress, this committee with the appropriate committee, should come up with such a program—I don't think you are going to find the farmers taking the stand of strong individualism, "We don't need any help from the Federal Government"; I don't think that kind of argument will be raised at that time if you come up with such a program. I am a farmer, and I assure you that it won't come from me. It's a tragedy. Our larger farmers, of course, are able to say they have gotten tremendous land resources, they can go hock it and borrow money; but one of the first calls I got after the hurricane was from one of your parishes—I believe it was Assumption Parish—that's in your district—I talked to the sheriff there. He said, "Governor, the thing, the tragic thing here, is not only damage to homes, but our small farmers it looks like are ruined"—our small farmers, because they are the sugarcane farmers we are talking about. The disaster last year with Hilda, and the second disaster, Betsy, it looks like our small farmers are absolutely ruined because of the damage to the sugarcane crop. So, I think that there is no question but that is something to appeal, something we should go into, not just for Louisiana, but for other great parts of our country. We are not the greatest farming part of our Nation; although we like to say we are, we realize we aren't.

Mr. SCHMIDHAUSER. Governor, I am a representative of a district of the State of Iowa that shares the Mississippi River. I want to commend you and the members of your delegation, I might add another score, presented a very effective case and very factual case for the conditions here, they described them very descriptively. We view your problems as our problems. This is the great—and I was just delighted to hear what you had to say about the unity of this Nation, because when Americans suffer, they all suffer, and you are our great seaport, and we share with you your condition, because when you suffer here, we know that this will have repercussions, and we have suffered similar disasters. I think there is nothing more compelling than the realization of the problems that are described by members of your delegation and by yourself, and the tremendous work you have been doing.

Governor McKEITHEN. Americanism in our State, I would say, has perhaps been reawakened and revitalized because here, when we got in trouble, no fault or no suggestion was made, "Well, you people have been talking down there about States rights; you can take care of your own problems, go on and do it." You didn't hear a word of that throughout this Nation. You, here from Iowa, certainly you are not in danger of a hurricane up there; you have other types of disasters perhaps, but you are not in danger of a hurricane, but here you are here to see about this deepest of the Deep Southern States, what can

we do to help, you in Iowa, throughout the Nation. As I say, it reminds me of a large family where they squabble among themselves; then one member of the family gets in trouble, well, they all just get together just like that [indicating]. I say, it's a tremendous example of it. I want you to know that here in this Deep Southern State we are completely cognizant of it; we are greatly appreciative of it; and as I say, you are an example of it yourself, from Iowa, you are here concerned about us; you are here to try to figure out a way to help us; and we are aware of it; and we shall never forget it.

Mr. MORRISON. I would certainly like to compliment the Governor on the very excellent statement he has made before the committee today; and I don't believe in our entire State's history that any Governor during any catastrophe or disaster has ever put out a greater effort to try harder to put out more energy or be more sympathetic toward trying to help all the people of his State like you have. I remember being in the Governor's mansion Saturday after the hurricane and hearing your words when you told me, you said, "Now, Jimmy, our people are hurt; they are hurt bad, and what we got to do, we are going to do it from a State position, and you fellows in Washington have got to do it from a national angle. We have got to help all these people; we have got to help our State; and we have some tremendous things that must be done in order to get this State back in shape and help the people who have been completely, you might say, without a home, haven't been swept away; we have got to prevent anything like this great disaster ever happening again." As I see this committee here today, I don't think that we should necessarily quibble over who has got jurisdiction, what committee has jurisdiction. I will tell you this: I am on the Agricultural Committee, and when I go back to Washington, whether the Public Works Committee has got jurisdiction or not to help the farmers, that's of no material interest of mine; whatever committee of Congress has the jurisdiction to help these people as individuals, to help each of our cities, small communities and individual people.

Now, whether we have to pass an insurance program and make retroactive payments, why, I don't know whether that would be possible or not; but as I see it, I certainly want to go on record here today and say that the U.S. Congress in their actions previous to this and other parts of the country have certainly been very sympathetic, and in many respects have been very generous, and have not only helped areas, helped public buildings, restore public buildings, have actually helped individuals, and there are a tremendous number, thousands and thousands of individuals who have had everything that they own, and many of them they still owe for the things that they had in the way of household furniture and other equipment, still owing on it, and they are in desperate circumstances. I certainly think it behooves all of us, representing Louisiana and Washington and to you members of the subcommittee to take a very sympathetic and hard look as to what is necessary to be done to put this State back in the shape that it was in, and certainly do whatever is necessary. And as you so ably put it, the 1927 floods, as horrible as they were, they still brought about action by the Federal Government in the way of hundreds of millions of dollars to see that that was solved and that that never happened again; and it hasn't happened again. I don't believe that we have any

greater problem in many respects to solve here than we had to solve then.

Governor McKEITHEN. I think we had a greater problem to solve then.

Mr. MORRISON. I wasn't a Member of Congress then, but there were people who were in Congress who solved it; and I think, from talking to the chairman, Bob Jones, who told me that he wanted to do everything possible that he could as far as this committee was concerned to help the whole State, to help individual communities, and to help anybody and everybody, and the individuals, and he can certainly speak for himself; but I got the impression from talking to him that he wanted to see the Federal Government do everything possible to help individuals, to help communities, and help the entire State.

Governor McKEITHEN. I believe I expressed myself clearly of our sincere, heartfelt appreciation, Mr. Chairman, for this committee's coming here.

Mr. JONES. Any further questions of the Governor? Mr. Howard?

Mr. HOWARD. No, Mr. Chairman; I just have one brief statement. I think although this is particularly an individual disaster, the question we are confronted with now, I think that in the long view we are going to have to permit individual people and municipalities to be able to afford flood and hurricane insurance. This bill that has resolutions before the House now to permit this has been introduced three times in the Senate by Senator Harrison Williams, of New Jersey. It has passed the Senate three times, never moved out of committee in the House, and this year—and I think this is the long-range, semi-solution that we will have to pass this kind of a bill that will permit a study to see how the Federal Government can help the individual persons and municipalities to be able to afford this kind of insurance which they just cannot afford now.

Governor McKEITHEN. They can't afford it, and the insurance companies can't afford to write it.

Mr. HOWARD. That's right; statistically they can't. There will have to be some Federal help so that the average man in the street will not be faced with the situation you described and we saw yesterday of throwing away so much of their possessions that they still are making payments for without any insurance, and they will have to come back and buy new, and be paying on that also. I think that's the long-range solution to this problem.

Thank you, Mr. Chairman.

Mr. JONES. Governor, since the hurricane started, we have been in constant touch with various agencies and bureaus that have been working with your State agencies, and universally the report has been returned to us that there could not be a finer, cooperative spirit than has dwelt in the environment of dealing with these problems and the responses of the State agencies.

Governor McKEITHEN. I greatly appreciate that; the feeling is mutual, I assure you. We appreciate it, as I previously said.

Mr. JONES. I want to congratulate you, sir, and all of the people that have been engaged in this task.

Governor McKEITHEN. Thank you, Mr. Chairman. We are doing our best, all of us here, doing our very best.

Mr. JONES. Thank you, Governor; you have been most helpful.

(Prepared statement of Governor McKeithen follows:)

PREPARED STATEMENT OF GOVERNOR MCKEITHEN

A little more than 2 weeks ago our State suffered one of the greatest disasters ever to strike Louisiana or the continental United States. Based on expected losses of insured property, newspaper stories have indicated that Betsy is the worst storm with one possible exception, of all the storms ever to ravage this country. As great as the financial loss may be, the loss of life and the displacement of thousands of people with many of them utterly ruined or wiped out by the catastrophe, is the most tragic feature. The Corps of Engineers has declared that a tidal wave rising to the height of 26 feet was responsible for the vast flooding and consequent water damage that resulted from the storm. The great avalanche of water was the primary cause for loss of life and shelter for so many Louisianians. To date, over 70 deaths have been attributed to Betsy, and the count may not be over yet. The Red Cross reports that already they have spent over \$1 million on food, clothing, and shelter for refugees. At the height of the storm over 96,000 people were housed in 287 shelters. Today the Red Cross is serving over 13,000 meals a day from 15 mobile units touring the devastated region. So great has been this effort that simple statistics fail to present a realistic picture of the work done. Over 1 million cups and a half billion plates have been used already to serve food and drink to the dispossessed. The Red Cross is presently caring for over 6,000 homeless but this does not tell the whole picture because countless people are staying with friends and relatives and not listed on the refugee rolls. The feeding and sheltering of people is expected to increase not decline in the coming days, according to the Red Cross, as the people begin to journey back to their homes or where their homes once were in Grand Isle and the southern parishes. Grand Isle is almost totally destroyed and extensive damage in the southern parishes will necessitate the feeding and housing of many people as they begin attempting to rebuild their business places and homes. It will be at least Christmas, the Red Cross feels, before they will be able to fully pull out of the area.

Betsy also took a drastic toll in the communications and transportation facilities of the stricken section. Winds and water managed to knock out numerous communication centers and flood highways making transportation or contact impossible in some areas. The storm was of such intensity that at one time the area around New Orleans was virtually without power. One company (Louisiana Power & Light) reported that out of their 200,000 customers none at one time possessed service. However, today less than 9,000 are still without service. Officials report loss of power was due largely to wind damage and that only approximately 3,000 of their customers lost their electricity due to the waters. Gulf States 100,000 without power at storm's height.

New Orleans Public Service reported that at one time over 90 percent of their customers were without service (168,000 out of 186,000) but that 95 percent was restored by September 18 and the rest by last Tuesday.

Telephone communications suffered the same fate as the electric utilities. Southern Bell now believes that their losses will exceed \$12 million. More telephones were knocked out by Betsy than by any other disaster in Louisiana history. Some 375,000 phones were out of order compared with a total of 1¼ million phones served by Southern Bell. Bell states some 4,000 poles were down, 1,600 long distance circuits were out (although within 48 hours all but a hundred were back in operation) and 48 central offices were isolated (means no long distance lines in operation). The telephone companies rushed emergency procedures into action and the Air Force using flying box cars transported trucks, equipment, and 750 repairmen into the zone of disaster.

It appears that losses to the major utility companies in the area will exceed \$30 million plus the losses sustained by the REA people.

Roads and thoroughfares were also affected. The highway department estimates that over a million dollars damage was done to Louisiana roads by the storm. Twenty-one State and Federal roads were closed from 2 to 5 days due to flooding. Other highways in the State were closed due to flooding for periods of less than a day, being opened by Friday afternoon following the storm. The highway problem was due almost entirely to flooding. If the water had been controlled by levees much of this disaster could have been avoided.

Water was not only the great scourge of the highways but also of the homeowner and the businessman. Water damage is generally uninsurable and thus

is actually a total loss to the owner suffering this fate. It is impossible at this time to make an intelligent guess as to the amount of damage the State has incurred by water and flooding. Many of the figures now being tossed around relate to expected losses of insured properties which leaves out the largest aspect of the disaster—the water. It caused the greatest loss of life, drove the most people from their homes and left them with irreparable losses. People only now are able to get back into their areas and as they do their primary interest is the aiding of the victims and the total utilization of resources toward that end. Thus neither time nor men have been available to make any accurate analysis of what total loss will be from flood damage in this area except that it will stagger the imagination. The Small Business Administration has compiled some rudimentary statistics in an attempt to spotlight damage. The Small Business Administration reports they have received (until Thursday) 6,036 inquiries and handed out 4,837 applications for assistance. Over 560 have completed forms for home loans requesting a total of \$2.56 million. In addition, there have been a total of 104 applications for business loans requesting a total of \$4.3 million. So far, 74 cases have been approved for a total of \$36,000 and they hope to have most of the applications approved in 3 weeks. They are adding men to their staff daily to help expedite matters. The Farmer's Home Administration has reacted to the crisis by establishing 11 offices in the affected area. The agency reports a heavy number of inquiries at all their offices and they expect the number to increase in the coming weeks as the numbness wears off the affected people and estimates are compiled. No number of loans due to Betsy has been compiled as yet but last year due to Hilda and other disasters in Louisiana the agency handled 1,100 loans for a total of \$3.9 million. The FHA is authorized to handle emergency loans for real estate or to make crop production loans. When the farmer's regular source of credit is no longer available due to his crop damage FHA can and will move to pick him up.

Insurance companies have been so active receiving claims, they have not yet been able to compile any comprehensive damage figures. Insured losses will probably run over \$300 million (according to the insurance commissioner) with half of that industrial in nature. One large homeowner and auto insurance company operating in Louisiana reports they (State Farm) have received over 10,000 claims from homeowners and an additional 7,000 from automobile owners. Many of the auto claims are because of flooding and submerging of the autos during and after the storm. (Auto insurance may include flood damage as opposed to home insurance which usually does not.) This one company expects close to \$8 million in claims—with \$4 to \$5 million of it centered in the New Orleans area and \$1 million in the Baton Rouge area. Again, water damage will not be included in this so a considerable portion of the New Orleans damage and much of the southern parish destruction will not be reflected in their figures. Also many people have \$50 or \$100 deductible clauses in their policies, and this would have to be added to the insured loss total. Reports indicate that claims are running very high. (The Lou Griggs Insurance Agency stated that some companies' claims were running at 50 percent of premiums. One such company is Maryland Casualty which handles \$12 to \$15 million in premiums per year which would put them at a total of \$6 to \$7.5 million in claims. Per year in Louisiana premiums run at about \$600 million, including all kinds—even employment compensation. If this 50-percent figure carries throughout the industry, then insured losses will run to \$300 million as the insurance commissioner stated.)

The industrial section of our economy appears to have survived Betsy without any disastrous affects. Telegrams received by us in the past few days in answer to our requests for damage estimates reveal all who have so far answered are operating at 100 percent of capacity today (16 companies report a total of \$1.25 million in damages). Monetary loss in many instances was slight. Almost all indicate damage was due to wind with water damage being negligible. (Only around 20 replies have been received so far so these figures are not comprehensive.)

The shipping industry was hit and hit hard by Betsy. The ports of Baton Rouge and New Orleans suffered greatly. Preliminary and "fairly conservative" estimates of damage in the Baton Rouge area say it will run over \$5 million. (Baton Rouge Port Authority.) The New Orleans area was struck even harder with one shipping line estimating damages to its ships at possibly \$25 million.

Another area of the Louisiana economy that has been dealt a severe blow is the agricultural sector. Again no comprehensive or entirely accurate estimate is as yet available but the county agents have made an initial survey and de-

livered the following estimates: (Mr. Chambers at LSU Agricultural Extension Service) cotton, \$15.4 million loss in crop; rice, \$6 million loss in the crop; sugarcane, \$2.5 million loss in the crop; forestry, \$6.5 million loss in the crop; truck crops, \$3.5 million loss in the crop; pecans, \$2 million loss in the crop; livestock, \$2 million loss in the crop; total \$65 million loss.

This loss in millions probably can be better appreciated if broken down percentage-wise. The weekly crop report of the Louisiana Reporting Service of the U.S. Department of Agriculture in this week's issue breaks down agricultural losses percentage-wise agreeing with the above estimate in all except rice losses where theirs is two-thirds lower, thus again emphasizing the danger of making hard and fast judgments before proper analysis of the situation can be rendered. The report declares: Cotton production suffered a 15-percent loss with losses running as high as 50 percent in the south-central portions of the State; rice production was cut by 2 percent (rice along with cotton is a \$100 million crop in this State so they cite rice loss at 2 percent whereas the agents cite it at 6 percent); sugarcane production was knocked out 25 percent overall with the greatest devastation being dealt the pecan industry which suffered a 25-percent loss in the northeast and a hundred-percent loss in the southeastern section of Louisiana.

Agricultural production losses are a severe blow to the State. In addition, most crops are uninsured so the loss is not recoverable in any fashion.

Louisiana's fishing industry also suffered heavily from the waves of Betsy. The wildlife and fisheries commission reports that no accurate estimate of damage to the seafood industry is possible until most of the fishing boats return to their jobs. Thus far little fishing has occurred and reports of damages are thus gradually filtering in. Based on this is the following damage report.

Oysters: It is expected that damage will be extensive and grave. Thus far it is known that many of the oyster boats were severely damaged, sunk, or will be out of action for a month or longer. Private oyster camps particularly in the delta area were almost totally destroyed. Of the seven oyster canneries, three were demolished, three are operable, and one was severely damaged.

Oyster grounds damage may be severe. Reports from oyster leaseholders west of the river thus far indicate a total loss of oysters. This area represents 60 percent of all private leases covering some 50,000 acres of oyster land.

It is probable that oyster production may be cut as much as 50 percent and the cost of rehabilitating the industry will be tremendous.

Shrimp: It is quite difficult to predict the effects of a hurricane on shrimp production. However, good catches are still being made and shrimp production from Houma westward has not deviated greatly.

The important damage done to the shrimp industry lies in two aspects—No. 1, lack of power to operate canneries, etc., and No. 2, debris floating in waters making shrimp catching a difficult task for some time to come.

All game species in southeast Louisiana have been adversely affected. Loss of deer and rabbits in the area was heavy.

The fur-bearing animal losses have been heavy. This is due to the fact that falling trees and leaves set up an acid poisoning which is fatal to all aquatic life. This is their food supply, therefore, the losses of these animals will be almost complete in the swamp areas of the State. It is doubtful that even the trappers will find enough animals to trap this season. Estimated losses to this year's catch are as follows: 400,000 nutria, 15,000 mink, 70,000 muskrat, 1,000 otter, and 40,000 raccoon.

The coastal regions besides being the heart of our wildlife possessions is the center of much of our oil industry. Before any accurate estimates of damage to the oil industry can be assembled many months will have passed. However, based on "horseback" analysis certain opinions have been rendered. The Hurricane Hilda of last year saw wells shut down producing 150,000 barrels a day. A rough preliminary estimate of Betsy indicates that possibly wells producing 600,000 barrels a day are shut down. The path of this storm covered an area which has an oil investment 6 times greater than the area hit by Hilda. Hilda did \$100 million damage so it is quite likely that the damage now is considerably greater than that of Hilda but not necessarily 6 times greater (Mid-Continent Oil & Gas Association). If the barrel loss is actually found to be 600,000 barrels a day, then that is a loss to the State's economy of \$2.4 million a day (oil at \$3 a barrel). However, well quotas may be able to be adjusted so that this loss can be made up. Damage to particular companies is hard to come by. (Shell has in a very cursory way come up with a figure of a \$150 million loss to them including oil production loss and equipment damage.) No breakdown by area or offshore versus inshore is yet available.

Besides the monetary destruction to the oil industry there is the larger problem of its importance to the national interest. Oil is a vital part of our national defense effort and if the oil industry found itself prostrated in this State for a considerable amount of time the effect would be felt far beyond the borders of this State. Louisiana is the second largest oil producing State in the country today. Oil production for the entire United States today runs at 7.3 million barrels a day or some 20 percent of the total. In addition south Louisiana inshore fields produce 17 percent of the total cubic feet of natural gas produced in the country. Theoretically a hurricane could sweep across the entire oil producing area of south Louisiana and if it succeeded in virtually shutting down our oil industry it would be more than of passing interest to the national defense effort.

Total damages suffered by the State are impossible to ascertain at this time, but preliminary estimates indicate the figure will be staggering.

1. Insured losses are estimated at \$300 million.
2. Agricultural losses are predicted to reach \$65 million.
3. Oil losses are far greater probably than Hilda which had a \$100 million loss, so possibly \$350 million would not be out of line.
4. Utility losses will probably exceed well over \$30 million based on conversations with various utility companies.
5. Fish and wildlife losses are extensive in both the fishing and fur industry, and will certainly run into the millions.
6. Maritime losses appear to be astounding.
7. The State has already applied for \$12 million in funds and this figure will probably grow by several more millions.
8. None of the above takes into account the uninsured losses of business and homeowners due to flood damage which was so extensive.
9. Damage total will probably easily reach nearly a billion and could go as high as \$1.4 billion or more.

FUTURE OUTLOOK

Betsy has already stamped herself indelibly on our State. The great problem we face here is to establish procedures that will someday in the near future make a repeat of this disaster impossible. Our entire coast area which stretches from our Texas line to the Mississippi line is vulnerable. Some 23 parishes are included in our general coastal area which would bear the brunt of any major hurricane. However, great damage could well be extended into the interior of the State as far as a line across Alexandria. A few rough statistics of the area suggests the seriousness of the present situation. In these 23 parishes live over 2 million of our people (2,017,458 based on estimated 1965 population figures compiled by the Louisiana Board of Health).

Assessed property values in the region total over \$2.8 billion (\$2,835,626,208), Louisiana Tax Commission figures. In addition new industrial investment in this area over the last 10 years totals over \$1.7 billion (\$1,724,117,251), commerce and industry figures. Action must be taken to see that this type of disaster can and will be prevented in the future.

The Corps of Engineers has been engaged in studying projects for several years now that would remove the threat of extensive water damage and flooding in this region. Six different projects are contemplated by the corps:

1. Lake Pontchartrain and vicinity.
2. At and below New Orleans.
3. Grand Isle and vicinity.
4. Vicinity of Houma.
5. Morgan City and vicinity.
6. Southwest Louisiana.

Since Betsy, the Lake Pontchartrain project has received congressional approval and is now awaiting conference committee action. The Grand Isle and Morgan City projects are also awaiting conference committee action after having been approved a few days ago. The project below New Orleans is now under construction. The Houma and southwest Louisiana projects are still under study. I wish to emphasize and stress that all of these projects should be authorized and sufficient appropriations should be made to insure their construction. Stark and frightening potential disasters pose a threat to our State if action is not undertaken to rectify our problem. The corps has calculated that if a "standard project hurricane" (very bad one) would strike the Lake Pontchartrain area at the present stage of development there, damage would exceed \$175 million. If in the project area at and below New Orleans a reoccurrence of the September

29, 1915, hurricane would strike today over \$21 million worth of damage would occur.

A recurrence of this same (September 29, 1915) storm in the Grand Isle vicinity would do an estimated \$4.6 million worth of damage in that section.

And if the Morgan City area were to be struck by a "standard project hurricane" damage could well exceed \$40 million.

These figures should be convincing proof of the dire need for the immediate construction of these levees. If they are constructed, according to the Corps of Engineers, the projects will result in great benefits to the economy. The Lake Pontchartrain project should give average annual benefits to the region of over \$53 million. On the same note, the New Orleans project should give \$806,000 in benefits; Grand Isle, \$384,000; and Morgan City, \$411,000. Figures are not available for Houma or the southwest Louisiana region.

As great as the needs for these projects are and as significant as the savings from them will be, the Congress has not as yet seen fit to give their completion a top priority rating. In the fiscal budget for 1966, the Lake Pontchartrain project is allocated only \$450,000 out of a needed \$45 million contribution by the Federal Government. (The State costs will be about \$28 million.) The project under construction at and below New Orleans has a Federal price tag of \$7½ million of which \$275,000 has been appropriated so far and an additional \$200,000 is requested for fiscal 1966. At the rate of \$200,000 per year it will take over 37 years before the job is completed. We cannot and will not wait this long for something that is absolutely essential.

My greatest task here is to implore and request that the planning and construction schedules of these projects be speeded up both here and in other areas where they are needed. The leadtime for these projects is greater than that given to defense industries to devise complex and new weapon systems. Although this is also complex, I believe the time element could be drastically reduced. One method of doing this would be the issuance of an omnibus bill every year instead of every 2 or 4 years and I understand this committee is adopting that policy. This is desirable because if a project has waited for maybe 10 years or more before it is submitted to Congress, it seems highly unfair to require a further delay for up to 4 years before another bill is voted out. There is need for these works at the time they are recommended and action should be handled as rapidly as possible.

Another important timelag that I believe should be greatly lessened is the long period required between authorization of a survey investigation and the submittal of the report to Congress. Average time for this procedure has been said to reach to 10 years or more. This seems to be an excessive period. I understand that the corps is the only major construction agency which requires this long amount of time and it should be streamlined. Too much time is being taken at every step in the process from the District Engineer level to the Chief of Engineers. In addition, certain review procedures such as the review by the Board of Engineers for Rivers and Harbors should be reduced.

In conclusion I would like to reemphasize my urgent desire to see that these projects I have discussed are speeded up. The unauthorized ones must be approved and the authorized projects greatly accelerated and appropriations for them increased drastically by this Congress. If these projects are not completed we will have to return to thinking the unthinkable and perhaps seeing the unthinkable become a nightmare of reality.

Mr. JONES. I have a telegram that I have just received which reads as follows:

Regret I am unable to make trip with your group. Conference on the farm bill continues today, and I am doing my best to hammer an equitable legislation for our farmers. Very much interested in hearings you are conducting in New Orleans and Baton Rouge, and will appreciate being kept fully informed. Please express my regrets I cannot be there in person and reason why.

(Signed) ALLEN J. ELLENDER,
U.S. Senate.

Gen. Jackson Graham, Corps of Engineers; he will be accompanied by Major General Davis, division engineer, Vicksburg, Miss., and Colonel Bowen of the New Orleans district.

STATEMENT OF GEN. JACKSON GRAHAM, CORPS OF ENGINEERS

General GRAHAM. Thank you, Mr. Chairman.

Members of the Congress, the statements of the Governor certainly represent a tough act to follow. I think this is because it isn't an act; what he told us is factual, straight from the shoulder, and certainly confirmed by the knowledge of the Army Engineers as to the situation in this area.

I would like to think that perhaps part of the credit for his fine approach may lie in his background, which happens to include a stint as an Army officer in the combat engineers.

The Corps of Engineers certainly appreciates this opportunity to report on Hurricane Betsy and its impact on Louisiana. I am here for the Chief of Engineers, and in a few moments I will call on our top officials in the lower Mississippi Valley for detailed reports.

We want to tell you not only what we have been doing the past 2 weeks to speed recovery, but what we have been doing for many years, and hope to do in years to come, under congressional authorization to prevent or reduce the devastation and suffering caused by these hurricanes.

Since passage of the Federal Disaster Act of 1950, Public Law 875, the Corps of Engineers has provided the principal engineering support to the Office of Emergency Planning and predecessor agencies administering Federal assistance as authorized by that law. The engineering services provided by the corps to OEP, upon occurrence of a threatened or actual disaster, include temporary assignment of technical personnel for staffing and liaison and the conduct of appropriate damage surveys on which to base a Presidential determination of a "major disaster" declaration. On request of OEP, we then move in to accomplish emergency repair and temporary replacement of public facilities; such tasks as debris clearance, and other protective work essential to preservation of life and property. Of all storms, hurricanes are among the most frequent causes of major and widespread damages to property and loss of life. These tropical storms strike at any location along the Gulf of Mexico and the Atlantic coastline from Texas to Maine. During the past 65 years, approximately 10 severe tropical storms per hundred miles of coastline have reached the gulf area from Texas to Alabama, in contrast, only 3 per 100 miles in the New York area. One event of hurricane force, that is 75 miles an hour, has crossed the coast within 200 miles of New Orleans every 5 years on the average since 1900. Hazards to life and property are invariably greatest in the low-lying areas that are subject to inundation by wind-induced "storm surges" and high tides which may attain 12 feet or more above normal. Destruction from Betsy was in a class with the worst of her sisters, including Connie, Diane, Carla, Flossy, and Audrey.

Significant steps have been taken since 1955 to reduce hazards from hurricanes. Warning services have been improved by the Weather Bureau and others. Studies have been completed by the Corps of Engineers on a large number of potential hurricane protection works. Several major projects have been completed or are now under construction in the gulf area and in the New England area. The omnibus authorization bill currently under consideration by Congress includes provision for authorization of the Lake Pontchartrain hurri-

cane project which will provide urgently needed protection in the metropolitan area of New Orleans. Much progress has been achieved; we have a lot more to go.

At this time, I call upon Maj. Gen. Ellsworth I. Davis, division engineer, lower Mississippi Valley division; he and Col. Thomas J. Bowen, district engineer, New Orleans district, will discuss our program and projects in this area as well as our current actions provoked by Hurricane Betsy.

Mr. GRAY. Glad to see you before the committee. You may proceed in your own fashion.

STATEMENT OF MAJ. GEN. ELLSWORTH I. DAVIS, CORPS OF ENGINEERS

Major General DAVIS. I am pleased to appear before you today to discuss with you briefly the conditions in south Louisiana brought about by Hurricane Betsy and acquaint you with the role of the Corps of Engineers in hurricane protection work. My remarks will be general in nature, but I will be followed by Colonel Bowen, the district engineer in New Orleans, who will discuss the matters in somewhat greater detail.

First, a few remarks concerning the principal sources of hurricane damage; and actually, there are three in number: first, wind damage, for which there is little means of protection. We don't know how to protect against that at this time. Second, flooding from the torrential rains which generally accompany hurricanes, and for which protection can be provided by adequate drainage and pumping facilities; and last, and far from least, flooding along the coastal areas caused by extremely high tides generated by the hurricane winds.

All of these sources of damage contributed to the devastation brought about by Hurricane Betsy. The wind damage was severe, and the rains accompanying the hurricane caused some local flooding; however, by far, the most devastating effect of the hurricane was the extremely high tides generated by the storm winds. These tides approximated 10 to 12 feet in height in the vicinity of New Orleans, and reached a height of about 16 feet down near the mouth of the river. This chart to your right shows in blue the approximate extent of the flooding. For orientation, we indicate New Orleans and Baton Rouge. The high tides reached locally constructed levees in a number of locations particularly in and around New Orleans, overtopped the Mississippi River levees from their lower limits to the approximate latitude of Phoenix on the east bank and Myrtle Grove on the west bank, causing flooding to depth as much as 8 feet in a portion of New Orleans proper, which I think most of you saw yesterday when you flew over it in the choppers, Citrus and Chalmette all in that general Greater New Orleans area. In addition, numerous smaller communities in the outlying areas of Orleans Parish and St. Bernard and Plaquemines Parishes down the river from New Orleans suffered severe damage. This overlay being placed over the map shows the status of Federal hurricane protection projects along the Louisiana coast; and I think this may answer your question, Mr. Johnson, that you raised earlier. Shown in brown is the New Orleans to Venice project authorized by the Flood Control Act of 1962. We do have one authorized hurricane protection project.

Shown in green are the Lake Pontchartrain-Grand Isle and vicinity, and Morgan City and vicinity projects. Those three in green are in the present 1965 omnibus bill up for authorization.

Shown in orange are the Houma and southwest Louisiana areas which are now under study. Now, the New Orleans to Venice project, the one shown in brown, consists of four isolated back levees and pertinent drainage facilities which together with the main Mississippi River levees form rather elongated ring levees around the more highly developed areas downstream from New Orleans. The grades of these back levees are now planned approximately the same grades or elevated heights as the adjacent Mississippi River levees.

The second project is that Lake Pontchartrain and vicinity project shown in green at the upper right; will protect the area of St. Charles Parish, north of the Mississippi River and downstream from the Bonnet Carre Spillway; Jefferson Parish north of the Mississippi River; New Orleans proper and its suburbs of Citrus and New Orleans East, Chalmette area of St. Bernard Parish and Mandeville on the north shore of Lake Pontchartrain. This project includes barrier levee enclosure structures at the Chef Menteur and Rigolets, the two entrances into Lake Pontchartrain. These are there to prevent the gulf tidal effects from entering the lake. The plan also provides for the construction of a lock at the Lake Pontchartrain end of the inner harbor navigation channel.

Thirdly, the Grand Isle and vicinity project. This consists of a loop levee and appurtenant drainage facilities extending along both banks of Bayou LaFourche between Larose and Golden Meadow, to protect a highly developed industrial and agricultural area. I would like to point out that despite the name of this project, it does not provide protection for Grand Isle itself.

The next one is Morgan City and vicinity. The project consists of a new levee to complete the protection of Morgan City, in green over there, and an enlargement of existing levee and modification of drainage facilities to protect the city of Franklin and surrounding areas. These levees protect approximately 34,000 acres with a 1960 population of about 30,000 in the Morgan City area.

At this point, I believe it would be appropriate to point out that the provision of hurricane protection is a joint venture between the Federal Government and the local interests. The requirements of local cooperation for both the presently authorized project and the projects included in the omnibus bill are substantial. I would like to run down those if I might, sir.

First, provide all lands, easements, and rights-of-way, including borrow and spoil disposal areas. This is what the local interests provide.

Second, accomplish all necessary alterations to roads, pipelines, wharves, and other facilities.

Third, bear 30 percent of the first cost of the project to consist of the items that I have just mentioned if they don't add up to 30 percent, and if they do not add up to 30 percent, then a cash contribution making up 30 percent is due.

Fourth, hold and save United States free from damages due to the construction works.

Fifth, maintain and operate the works after they have been constructed.

Sixth, prevent any encroachment on ponding areas within the projected areas unless substitute storage capacity or equivalent pumping is provided; and in the case of the New Orleans to Venice project, which is the currently authorized one, which would provide protection against hurricane tides from 10 to 12 feet high, local interests are required to notify their people, those affected, at least annually, that the project will not provide total protection to them.

Had the project shown on the overlay been operative during Hurricane Betsy, they would not have prevented any of the wind damage. They would have prevented most of the flooding attributable to rainfall. In the case of the storm tides—that's the third element of the damage, kind of damage—the Lake Pontchartrain project would have protected New Orleans proper and the portions of Orleans and St. Bernard Parishes included in the protected areas. Shown there in red are the areas that were inundated during Betsy which would not have been inundated had this project been in effect.

The area downstream from New Orleans was in the direct path of the hurricane, and the storm tides overtopped the Mississippi River levees from east to west. As you noticed yesterday, all the debris was up against the west side levees and the east side battures were swept pretty clean.

Mr. Boggs. General, may I interrupt you?

Major General DAVIS. Yes, sir.

Mr. Boggs. Look at that map. The area on the east bank of Jefferson Parish was totally free of water, was it not?

Major General DAVIS. I believe that's right—yes, sir.

Mr. Boggs. The areas that got water were areas that have not had any protection; isn't that right?

Major General DAVIS. They are areas for which levees have not been completed along—

Mr. Boggs. In light of the—after the 1947 hurricane, engineers came back and reviewed their Lake Pontchartrain project, and built that levee from the Orleans Parish line to the St. Charles Parish line, which provided protection until 2 weeks ago. Now, is it your considered opinion that this project that Congress has now approved in the omnibus bill, approved this week, will be effective in all of these areas that are now marked off by red on your map? You have got St. Charles Parish, New Orleans East and St. Bernard Parish.

Major General DAVIS. I believe it would be as effective as the protection from Jefferson Parish; yes, sir.

Mr. Boggs. Do you feel that in the light of Betsy and the damage done by this hurricane that a further review should be made?

Major General DAVIS. Not there, sir. I was just going to say it was thought it would be required down below.

Mr. Boggs. That's all. Thank you.

Mr. Jones. General, I would like to point out to you, Mr. Boggs, and other members of the committee, under the provisions of section 201 of the bill, title II, of the bill that we passed this week, will provide the authorization for the Committees of Public Works to pass projects in the committees not in excess of \$10 million. So, that would mean the Public Works Committees on those projects less than \$10 million can take immediate action without congressional—without it going to the Congress for consideration.

Mr. WILLIS. May I compliment the chairman of the Public Works Subcommittee for being so farsighted as a check to the effectiveness of this project in the future. I think that's a very wonderful provision, which you thought about before Betsy; is that correct?

Mr. JONES. That was before Betsy got on her rampage.

Major General DAVIS. The area downstream from New Orleans was in the direct path of the hurricane, and the storm tides overtopped the Mississippi River levees, our main levees down there, from east to west. The hurricane protection levees as now planned have grade elevations approximating the grades of the additions to the Mississippi River levees. Therefore, these levees would have been overtopped had they been in place. I believe that answers your question, Mr. Boggs.

Mr. BOGGS. I have one other question, General, in that connection: Looking at your projection views, I notice you have a project called Grand Isle and vicinity.

Major General DAVIS. Yes, sir.

Mr. BOGGS. The only thing wrong about that project is, while it's got the name Grand Isle and vicinity, it doesn't include Grand Isle; and I have been trying for a long time to get a hurricane protection program for Grand Isle. Now, one of the most seriously devastated places in the whole area is Grand Isle. I would appreciate it very much, in light of what has happened to them, that the engineers would take another look at Grand Isle.

Major General DAVIS. As you know, Mr. Boggs, the reason why the name is on that project is because it was included in the initial survey of that area, but left off. In the evaluation of it, the cost of the project was greater than the benefits to be derived from it.

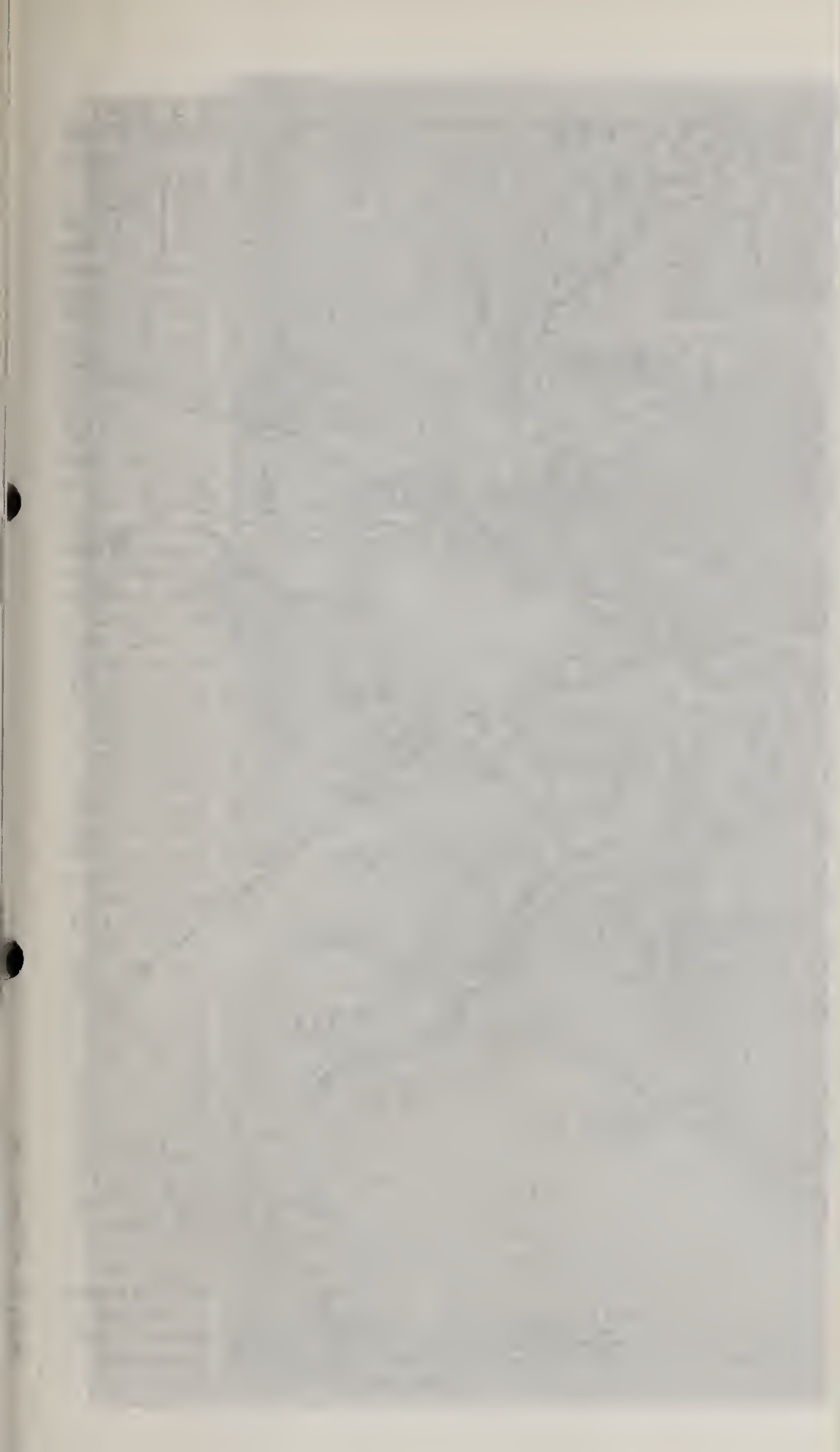
Mr. BOGGS. Well, I would not want to argue that point with you right now, General; but I think, in light of this hurricane, you should take another look; and as the Governor pointed out, that is one of the principal places in our State where the offshore operations are conducted; and my appraisal of your economic survey was that you had not included that in the material that you transmitted to Congress; and the devastation there is very complete.

Mr. WILLIS. Will the gentleman yield?

Mr. BOGGS. Surely.

Mr. WILLIS. I would like to point out, the name of this project is somewhat not as accurate as it might be now, but I am glad that the general said that where relief will be really afforded is in the descriptive part of Grand Isle and vicinity, which happens to be the part of my district, as you said, from Larose up to Grand Isle. Now, I wonder if either now or later, just as you indicated from the experience of Betsy, what relief would have been afforded in connection with the hurricane protection—in other words, in the areas that we have been talking about, how do you view these projects, Grand Isle and vicinity, and Morgan City and vicinity, how these areas would have fared out if the proposed works presently authorized had been in existence?

Major General DAVIS. The ring levee from Golden Meadow to Larose along Bayou LaFourche would have protected against the tidal forces insofar as we know them at this time. The reason they are not shown on this particular map is because—not sure what is shown there—with regard to Morgan City, I would like to ask Colonel





Composite chart showing extent of flooding and Federal hurricane protection projects.

Prepared By:
Division Engineer USAED
Lower Mississippi Valley

Bowen if he can shed some light on that and answer that particular question.

Mr. WILLIS. We will hear from him later.

Major General DAVIS. The extensive damage caused by Hurricane Betsy has led us to reevaluate our overall position. First, I plan to restudy the grades of the Mississippi River levees downstream from New Orleans under the existing authorities of the Mississippi River and tributary project, of which they are a part. In parallel with the study, I plan to examine and reexamine the grades of the authorized hurricane protection levees between New Orleans and Venice, those of which are the ones overtopped. Based on these restudies, I will recommend those grade adjustments as can be justified. With regard to the projects now authorized, the one down the river and the ones which are included in the omnibus bill, we are prepared to expedite their design and construction as fast as two things happen: funds are made available and local cooperation is forthcoming.

Mr. WILLIS. With respect to the orange lines, especially the ones that are being charted out by the gentleman pointing at the easel, in the Houma or Terrebonne Parish area which is a very vast area needing this kind of protection, hurricane, tidal waves and so on, that is under study, did you say awhile ago? What is the status of that?

Major General DAVIS. Well, actually it was submitted to the river and harbor board and initially considered there, and local interests asked that we return to them so that they could provide better and a larger estimate of the benefits to be derived from it.

Mr. WILLIS. Well, I hope Betsy will cause an impetus in the study.

Mr. GRAY. General Davis, have you concluded your testimony?

Major General DAVIS. Yes, I have.

Mr. GRAY. As the Chinese philosopher said, "A picture is worth 10,000 words," and it is the feeling of the committee this would be a very good map to include in the record. Would you identify the map that we have been discussing? Do you want to call it exhibit 1 or could you identify this an official Army Corps map?

Major General DAVIS. Well, this is a map made up specifically for this presentation today, but we can provide you with the equivalent—

Mr. GRAY. A smaller size to include in the record? Without objection, we will ask, Mr. Chairman, that a copy of this map be included in the official transcript of the hearings.

Major General DAVIS. We will provide it.

(The composite chart referred to faces this page.)

Mr. BOGGS. I don't want to impose upon the time of the committee, but I don't want this opportunity to pass without commending everybody connected with the Corps of Engineers, particularly Colonel Bowen and his staff here in New Orleans. The job that the corps has done, debris removal and renovating and restoring the port of New Orleans and the maritime interests here, as well as this long-range planning, is something that deserves the commendation of this whole country.

Major General DAVIS. Thank you.

Mr. GRAY. Yes, and on behalf of the committee, General Davis, we want to thank you very much for your fine work.

Major General DAVIS. If it meets with the pleasure of the committee, I will ask Colonel Bowen to step up here.

Mr. GRAY. You may come forward, Colonel Bowen.

STATEMENT OF COL. TOM BOWEN, CORPS OF ENGINEERS

Colonel BOWEN. Mr. Chairman, Members of Congress, I will tell you briefly something about the hurricane, some of its damage, what the U.S. Army Corps of Engineers, New Orleans district, has been able to do since the hurricane. The photographs just passed to you, I will get to them briefly, and will cover each one in detail.

(Chart and photographs will be found beginning on p. 54.)

Colonel BOWEN. This chart to your right shows the path of Hurricane Betsy. It entered at Grand Isle, with the wind velocities as shown and its forward movement was toward Larose, east of Baton Rouge and on into north Louisiana. The forward movement of Betsy was on the high side moving at 20 miles per hour. There are 35 Louisiana parishes in the disaster area. Betsy's movement filled the lower Mississippi River as evidenced by an 8-foot rise at New Orleans in a 4-hour period, and a rise up the river as far as St. Joseph, La., approximately 400 miles above Head of Passes.

Mr. WILLIS. A tidal rise?

Colonel BOWEN. Tidal rise, yes, sir. In addition, it built up and pushed across the lower coast, as previously mentioned by Joe Davis, the most severe tidal surge yet recorded in this part of Louisiana. This surge also rolled out of Lake Borgne into the industrial canal area of New Orleans where it came to peak when it entered the restricted areas of the north levees on the gulf outlet and the levees along the industrial canal.

Next chart shows the flooded areas and the heavy-wind-damaged areas of the lower coast and at Grand Isle, Grand Isle being the lower left, which was the eye of the hurricane.

The tidal surge moved from the east. It crossed the east levee of the Mississippi River, and eventually topped the west levee on the Mississippi River. Now, if you will note photograph 1, you will see the erosion there near the top of the levee. So, there was a period of time when the tidal surge was standing at the top of the levee, eroding away, and you will see some of this severe erosion on the west levee of the lower coast. If you will look at photograph 2, which is a later stage when the levee was overtopped, you will see the debris that was pushed into the west side of that levee, also carrying an amount of water with it, which flooded the area, and that floodwater was retained because there is a back levee and a complete ring levee in that west section. The west grade levees in the lower coast are at 14 feet mean sea level, and the tidal surge in this area was approximately 16 feet mean sea level. If you will note photograph 3, which some have identified earlier, which is Grand Isle, you will notice the tidal erosion has changed the original configuration of the island, particularly the south side is eaten away. The tidal surge flowed entirely across the island, and there was severe wind damage to buildings and utilities.

The next chart shows the flooded areas of Metropolitan New Orleans. If you will note photograph 4, it shows the flooded area east of the industrial canal, and in that photograph you are looking east, and you will see the floodwaters in there; and then in photograph 5 is the floodwaters, that's west of the industrial canal, and you are still looking in an easterly direction. The maximum recorded flood depths are indicated on that chart, 8 feet being the maximum. Also throughout

the city of New Orleans and the adjacent parishes, there was considerable wind damage to trees, buildings, and utilities.

As previously mentioned, the tidal surge came into this pointed area and the restricted area of New Orleans centered on the industrial canal. This surge overtopped the back levees in St. Bernard Parish, and eventually overtopped the levees on both sides of the industrial canal, causing three breaks on the east industrial canal levee. This overtopping and breaks caused the flooding. The levee elevation along the industrial canal is approximately 8 feet. The tidal surge in the industrial canal area was about 11 feet. The gulf outlet did not increase the height of the tidal surge in the New Orleans and St. Bernard areas.

Mr. HÉBERT. Colonel, may I ask a question in connection with the Mississippi gulf outlet?

Colonel BOWEN. Yes, sir.

Mr. HÉBERT. As you well know, there has been some conversation and discussions that the Mississippi-gulf outlet's presence there contributed in great measure to the tidal rise. Is that an accurate evaluation? In other words, supposing there had been no Mississippi-gulf outlet, would the tidal surge have occurred?

Colonel BOWEN. Yes, sir; it would have. That's exactly what occurred in the 1915 hurricane and tidal surge.

Mr. HÉBERT. When there was no Mississippi-gulf outlet?

Colonel BOWEN. When there was no Mississippi-gulf outlet. You had 11 feet in the vicinity of Michoud, and then a great part of New Orleans was flooded, and that was before the gulf outlet.

Mr. HÉBERT. A rise of 11 feet then?

Colonel BOWEN. At Michoud area.

Mr. HÉBERT. So the Mississippi-gulf outlet did not contribute in any major way to the disastrous effect of this tidal wave?

Colonel BOWEN. It did not, sir.

Mr. HÉBERT. Now, in the planning, future planning, I think your levees are 11 feet. You plan to go to 16 feet?

Colonel BOWEN. In the required areas; yes, sir.

Mr. HÉBERT. You do plan to go to 16 feet?

Colonel BOWEN. Yes, sir.

Mr. HÉBERT. In the construction, was the possibility of tidal rise or a tidal rise in the future taken into consideration when you placed the levees at 11 feet?

Colonel BOWEN. In the planning as it's contained in the project for Lake Pontchartrain and vicinity project, which has been approved by the Congress, that is considered.

Mr. HÉBERT. That is considered? But, prior, in the original construction of the protective levees to the Mississippi-gulf outlet at that time, and with the basis of the information on hand, the judgment was that an 11-foot levee would be appropriate?

Colonel BOWEN. That is correct, sir.

Mr. HÉBERT. And then even before the tidal wave, the consideration was given as reflected in the recent project adopted by Congress this week to raise those levees to 16 feet; is that correct?

Colonel BOWEN. Well, sir, in the study and engineering for the projects with the Congress, the engineering determinations were made and in the areas to the east of the vicinity of Michoud, the elevation to 16 feet, and you come to lesser grades into an area in the industrial canal

area, and those grades are sufficient to protect against what I have described here.

Mr. HÉBERT. So, assuming we have another Betsy tomorrow, next week, next year, the 16-foot levee would protect that area?

Colonel BOWEN. With the remainder of the total features of that project; yes, sir; in place, it would protect it.

Mr. HÉBERT. It would protect it?

Mr. GRAY. Putting it another way, if I may interrupt: The proposed improvement would take care of another Betsy?

Colonel BOWEN. Absolutely, sir; in fact, it would take care of something bigger and more dangerous than Betsy.

Mr. HÉBERT. I do want the record to show that the presence of the Mississippi-gulf outlet in no way attributed in any major devastation or major rise of the tidal wave; it would have occurred even if the Mississippi-gulf outlet had not been there?

Colonel BOWEN. That is correct, Mr. Hébert.

Mr. GRAY. You may proceed.

Mr. EVERETT. Colonel, how much damage did you have in dollars and cents that you have estimated to the main line levees and all protective work that is now in existence in your district?

Colonel BOWEN. Unquestionably, Mr. Everett, I do not have at this time a total or an estimate. We have been busily working with our engineering forces and with the contractors we have there doing two things: Getting the estimates made, getting them back to work; and, in a few days, we will have completed the total work downstream.

Mr. GRAY. You will supply those for the record when they are available?

Colonel BOWEN. We can, yes, sir; we certainly shall.

(The extracted figures follow:)

DAMAGE FIGURES EXTRACTED FROM LETTER SUBSEQUENTLY SUBMITTED

A member of the committee asked informally, after the New Orleans hearing, if we had a cost figure on hurricane damages to the river, harbor, and flood control works in the New Orleans district. I didn't then but do now. Under the appropriation, "Operations and maintenance, general," the estimate is \$3,650,000. Under the appropriation, "Flood control, Mississippi River and tributaries," the estimate is \$1,800,000. I must emphasize that these are estimates only and are subject to revision. Our major effort, of course, has been devoted to rehabilitation work in populated areas and we have not been able to spare personnel to make a detailed inspection of all of our projects. This is going on now. It may well be that we will find underwater damages to our levees and revetments that were not visible during surface inspections and that will increase the overall cost figures.

Mr. WILLIS. I would like for you to relate what you said with respect to the effectiveness of the proposed hurricane and other protection works we are talking about in the area you have just referred to, and relate whether that same effectiveness would have prevailed if the proposed works and the area known as the Grand Isle and vicinity, and Morgan City area, proposed works actually authorized this week by Congress. Do you follow me?

Colonel BOWEN. Yes, sir; I do.

Mr. WILLIS. Just a short word because the record would not be complete without it. This is not on the map, what I am talking about; could you bring—

Colonel BOWEN. Yes, sir.

Mr. WILLIS. Talking about the two projects of the omnibus bill.

Colonel BOWEN. The Grand Isle and vicinity project?

Mr. WILLIS. And the Morgan City and vicinity project.

Colonel BOWEN. It was only minor flooding that occurred from Betsy in the vicinity of Golden Meadow. It was of short duration; and with that Grand Isle and vicinity hurricane project in place, it would have prevented that flooding. Of course, as discussed previously, Grand Isle itself is outside because there are some very specialized protective requirements there, some could be very expensive.

Mr. WILLIS. Would the same be true with reference to the Morgan City and vicinity authorized project, in other words, had it been in place, as you just put it?

Colonel BOWEN. Yes, sir; it would.

Mr. WILLIS. It would have effectively brought protection against recurrence of Betsy?

Colonel BOWEN. Certainly would have, Mr. Willis.

Mr. BOGGS. Colonel, in line with the questions asked by Congressman Hébert and Congressman Willis, and again referring to the map, what you have projected there, what has already been authorized as I read the map, provides for what you consider adequate protection for all of the habitable areas south of New Orleans except Grand Isle; is that correct?

Colonel BOWEN. It does with the exception of the other two areas that were mentioned that are still being restudied, Houma and southwest Louisiana.

Mr. BOGGS. That's being studied?

Colonel BOWEN. Yes, sir.

Mr. BOGGS. What do you propose for Grand Isle?

Colonel BOWEN. Mr. Boggs, it's a unique requirement in my opinion, and again it requires the efforts of all agencies while under the criteria of this committee of Congress—

Mr. BOGGS. I have never known the Corps of Engineers to back off from a unique project.

Colonel BOWEN. No, sir. I come to explain two things: First, that under the criteria of evaluation benefit ratios, that particular part could not be justified. It's apparent that three things—

Mr. BOGGS. Using the formula which you use, which I don't think was adequate—not arguing with you; just want you to tell me what you are going to do now.

Colonel BOWEN. Well, sir, Grand Isle needs three things, in my opinion, for protection: One is an elevated highway, the other is stabilization and beach erosion control, which we of the corps will do; and the third thing is a building code that would provide the maximum type of beach protection, normally elevated on some type of structures.

Mr. BOGGS. What you said is very reassuring, because you said now that you have the authorizations to restore the beach; is that correct?

Colonel BOWEN. That's the one affirmative thing we have; yes, sir.

Mr. BOGGS. Well, that's very helpful. We have got the highway people here, so maybe we can get that worked out.

Colonel BOWEN. Fine.

Mr. BOGGS. Thank you very much.

Mr. GRAY. You may proceed, Colonel.

Colonel BOWEN. Thank you, sir. Based on Weather Bureau hurricane data, we at the New Orleans district early on Thursday put into

effect our hurricane plan by securing all Government plant and facilities and manning our emergency operation posts on a 24-hour basis, deployed engineer assistance teams into key metropolitan areas along the Louisiana-gulf coast; and we placed our civil defense liaison representative at the headquarters of the civil defense, New Orleans, and our liaison man with the civil defense headquarters of the State of Louisiana at Jackson Barracks.

Early Friday morning, our engineer forces assisted with the early evacuation of the people in the area east of the industrial canal. Throughout the disaster area, we started assistance to the local government officials. This assistance has rapidly continued since we immediately became the engineer for the Regional Director's Office of Emergency Planning, Mr. George Hastings. Work was immediately started by the corps in assisting the Orleans levee board to remove the floodwaters from New Orleans. We immediately mobilized six dredges, one pump barge and eight other barge pumps up to 36 inches in size, and put them to work. This removal of the floodwaters permitted the city to dry and place in operation its key pumping station in the industrial canal area. We are continuing pumping operations in the citrus area out near Lake Pontchartrain; and we have just finished pumping on the lower coast at Venice, La. The parish pumps on the lower coast have been in operation since immediately after the disaster. With St. Bernard officials and the district engineer of the Louisiana Department of Public Works in this area, we have completed a major flood fight in the Carolyn Park area caused by continued high tides in the area working against the broken levees that had been closed. That back levee is now restored. Twenty-six generators, complete with operators for around-the-clock use, were furnished by the 4th Army and placed by the corps in areas of need, such as pumping plants, refugee shelters, and hospitals.

Under Public Law 875, we are performing for OEP cleanup and public facilities restoration throughout the disaster area of the 35 parishes. Throughout this area as of this morning, we have 33 contractors, 750 items of equipment, and 3,000 people rapidly cleaning up and restoring the area.

In New Orleans, the rate of debris removal is regulated somewhat by the limited number of available disposal and burning areas. Efforts continue to expedite the tree removal and cleanup, most particularly in the New Orleans area east of the industrial canal.

The Chief of Engineers, General Cassidy, has accepted from Governor Ellington, the Director of OEP, and General Cassidy has delegated to me, the authority to make disbursements from my office here in New Orleans of the emergency funds that will go to the local governments based on the authorized work performed by these local governments. This procedure has eliminated tremendous redtape and greatly speeds the reimbursement of these local governments for the work that they performed.

Yesterday, we made the first two disbursements to two of these agencies, but I will leave the details to a speaker later.

Damage to maritime interests throughout the area was extensive. In the navigation channels, we have located 46 sunken objects, and at this time 11 appear to be obstructions to navigation, and will be removed. Along the Mississippi River from Baton Rouge to the gulf,

there are 144 ships, barges, tugs, and ferries on the levees; and eventually these must be removed by the owners or if not by the owners, then by the corps because many of them will be a flood hazard in later flood seasons. Another 56 vessels are reported as missing. Three river ferries are being recovered by us immediately; in fact, two of them in the lower parishes have already been recovered.

The highly capable U.S. Navy salvage team is assisting us in this operation; or I should say that they are doing the major operation on their own, and some of the priority emergency work that we have asked them to do, they are doing. All navigation channels are open and in operation. We have had shoaling at Southwest Pass. The navigation depth is now 37 feet; and we have three dredges now working in that area. The gulf outlet navigation depth is 28 feet; and we have three dredges working in that area and one more enroute. Near Grand Isle, we have a navigation problem at Bayou Regaud which is not of sufficient depth to pass the oil interests and support for the oil interests; and we have a dredge that will be in there early next week to clear that. We also have contractors now at work at 10 contract sites on the levees of the lower coast of the river.

Damage to the facilities in the port of New Orleans was extensive; and our engineers are now working with the port officials to repair the damage to their grain-, banana-, and bulk-handling plants. This work is proceeding extremely well.

Throughout this unfortunate disaster, the help and cooperation among the Federal, State and local agencies as well as the construction industry have been and continue to be outstanding.

I have omitted any reference in this briefing here to the chlorine barge 602 operation since that will be covered tomorrow in Baton Rouge.

Copies of my remarks will be provided to the clerk; and again, I appreciate this time here.

Mr. GRAY. Thank you, Colonel Bowen. Mr. Hébert?

Mr. HÉBERT. Colonel Bowen, I do want to associate myself with my colleague, Congressman Boggs, in my praise of the efforts made in New Orleans here by the military, but I personally want to express to you my deepest appreciation for your dynamic leadership in this particular instance. I think it was an outstanding job and something to be recognized.

In that connection, I would like to inform the members of this committee that on last Tuesday morning the House Armed Services Committee, which had the cognizance and jurisdiction over the military, unanimously adopted a resolution praising the work the Engineers, the Navy and Army, in addition to the magnificent work done by Admiral Craik under the Coast Guard's direction, also Admiral Lyman and Captain Chaires of the Navy, and you and the Army and your association to them. This resolution was adopted unanimously by the House Armed Services Committee, and was sent to the President himself, indicating that even on a national level, far removed, the work of the man in uniform has been recognized. Copies were also sent to the Secretary of Defense, to the Secretary of the respective services, and to the Secretary of the Treasury, which has immediate jurisdiction over the Coast Guard. I think the men in uniform have demonstrated clearly their immediate response in times of disaster and

the stories, what they contribute, will remain untold to the general public, but deeply appreciated by the individuals that resolved the use of them. Please accept my thanks for a job well done.

Colonel BOWEN. Mr. Chairman, thank you very much. I would like to say to that I certainly will pass that to my people, and I accept for them and recognize them that we have an outstanding group of civil engineers in our New Orleans organization.

(The following material was furnished by Congressman Hébert:)

SUMMARY OF COAST GUARD OPERATIONS IN CONNECTION WITH HURRICANE BETSY,
HIGHLIGHTING LARGEST MASS EVACUATION IN DISASTER RELIEF OPERATION IN
U.S. HISTORY

IN THE WAKE OF BETSY

Hurricane Betsy, the meanest wind ever to sweep out of the Caribbean, hit the southeast and gulf coasts of the United States with maniacal fury, leaving death and devastation in her wake. Primary target of Betsy's rage was the great city of New Orleans which will be a long time recovering from this disaster. In New Orleans and elsewhere, the frightful toll of Betsy is still being added up, but even now it is evident that it will come to scores of lives lost and hundreds of millions of dollars in property damage.

What isn't generally known, however, is the saga of heroism that was touched off by Betsy's brief but disastrous visit. Even before the ill-tempered wind struck, the U.S. Coast Guard, Army Corps of Engineers, the U.S. Navy, and other agencies both local and national were preparing to meet her onslaught. If it were not for this coordinated effort on the part of all concerned, including that often unsung hero, the ordinary citizen, Betsy's cost would undoubtedly have been higher.

Warned by Betsy's impending arrival, the Coast Guard's Rescue Coordination Center in New Orleans braced itself for an around-the-clock ordeal. Every helicopter capable of getting off the ground was pressed into service to pick up the desperate men and women and children who suddenly found themselves marooned in a brown, swirling flood. Without rest, and subsisting largely on black coffee and whatever food could be eaten on the run, the Coast Guard copter pilots flew sortie after sortie, lifting hundreds of men, women, and children clinging to flooded rooftops as the waters overflowed the levees and surged over the tops of automobiles in the streets.

"My God, where do I start?" was the usual reaction of most Coast Guard pilots as they sought to land their helicopters on fragile rooftops. Usually they started at the end of a block and worked their way down. The grueling work involved chopping openings in roofs to take out trapped persons, sometimes as many as 15 or 20, and contending with the panic of the refugees as they fought to get on board. For about a week, weary crews and overworked machines fought fatigue and the elements.

One of the most poignant rescue cases concerned a party of blind persons stranded on a rooftop. As the pilot, Lieut. Roderick Martin, USCG, described it: "The courage of this group struck me because of the sharp contrast in the orderliness and patience as we lifted these blind individuals by basket into the helicopter. They were the easiest load that we picked up that entire day. It is difficult for me to place myself in their position, having been exposed to terrifying elements for about 24 hours, and then to have the thunderous noise of a helicopter descend on them for a rescue. It is a rescue that I will never forget."

As Betsy approached the Mississippi Delta, shipping tried to find more sheltered areas. One of the vessels was the Coast Guard cutter *Point Hope* which had just finished a rescue mission and was seeking shelter behind the locks in the industrial canal at New Orleans. While proceeding upstream, her skipper, Chief Boatswain's Mate J. N. Apperson, heard over his radio from a nearby freighter the cry "Stand by, stand by, stand by, they are coming." The chief, alarmed by the message, asked "What is coming?" The reply was "The barges are coming." Apperson turned on his searchlight and saw the frightening spectacle of a herd of stampeding barges, surrounding his vessel. He radioed headquarters, asking permission to heave to in the area saying, "I am surrounded by several large vessels, a large number of drifting barges and numerous indescribable objects." Headquarters quickly replied: "Permission granted." In a near miracle, the little cutter escaped the monstrous barges.

During this period, the Coast Guard's aids-to-navigation vessels also went into action to replace numerous aids, buoys, and lights which had been torn from their moorings. This by itself was a massive job on the vital Mississippi River and port of New Orleans.

Several times, Coast Guard rescuers found themselves racing the stork. In spite of flood, hurricane, or disaster, new life had to come into the world. On September 10, a coastguardsman was driving a truck when he was called to take a woman in advanced stage of pregnancy to the hospital. The medical officer told him: "If I rap on the window it will mean that the woman is dead. You must stop immediately so I can take the child." The driver flagged a police escort alongside and sped through the streets at more than 60 miles an hour. The woman arrived on time and was delivered of a healthy baby boy.

These instances were only part of the great human tragedy which took place in the southern United States, but they are illustrative of what happened there on a never-to-be-forgotten week in September.

Betsy is history now, but cleanup operations will go on for many weeks. A preliminary rundown of Coast Guard work during Betsy shows that 11 Coast Guard helicopters evacuated 1,144 persons, transported 22 medicos, flew 140 sorties. Nine Navy helicopters evacuated 885 persons, flew 25 sorties.

In surface operations Coast Guard boats and vehicles in the New Orleans area evacuated more than 11,600 persons and transported over 100 tons of food, water, and medical supplies.

But these are only statistics. To the men who took part in Operation Betsy, the human drama will never be forgotten. It will stay with them for the rest of their lives. They know that they have been a part of the Coast Guard in one of its finest hours of humanitarian service.

(Teletype communications will be found in committee files.)

HEADQUARTERS, DEPARTMENT OF THE ARMY,
OFFICE OF THE SECRETARY OF THE ARMY,
Washington, D.C., September 23, 1965.

Memo for the Assistant to the Secretary of Defense (LA).

Subject: Army—Civil defense relief activities during Hurricane Betsy.

1. Hurricane Betsy struck hard at the bayou country in southern Louisiana on September 10, 1965, with torrential rains, 150-miles-per-hour winds and 12-foot tides.

2. Early September 9, 4th U.S. Army prepared for a possible natural disaster. Military resources of food, bedding, and medical supplies were prepared for emergency use and a 24-hour hurricane watch was begun. Fourth U.S. Army established liaison with OCD, OEP, American Red Cross, and the other military services.

3. Timely preparation permitted Lt. Gen. Robert W. Colglazier, 4th Army Commander, to immediately commit his resources to alleviate human suffering in the New Orleans-Baton Rouge area. General Colglazier and his staff were on the scene on September 11 and assigned Maj. Gen. Kelsie Reaves, Commanding General, Fort Polk, the task of directing military assistance.

4. A total of 888 Army and 4,000 National Guard personnel were committed at the peak of activity. There remained 711 Army and 2,700 National Guard personnel still engaged in relief operations as of September 15, 1965. This figure had declined to 2,370 on September 21. All evacuees were concentrated in one evacuee center at the Algiers Naval Station. Current operations are concentrated on the care of evacuees assisting civil authorities in alleviating sanitation problems, and safety operations in connection with the sunken chlorine barge (enclosure 1). Army and National Guard supplies and equipment committed as of September 15, 1965, are shown at inclosure 2.

5. Civil defense activities: All Federal civil defense resources in the Louisiana area were available to State and local authorities. These resources consisted primarily of trained OCD disaster operations specialists, national civil defense communications and warning networks, supplies prepositioned in the Louisiana area in public fallout shelters and warehouses, and portable water purification units, generators, pumps and piping for establishing emergency water systems. The following civil defense resources committed to relief operations:

A. EMERGENCY COMMUNICATIONS

Continuous emergency communications from the local civil defense level up to OCD National Headquarters in the Pentagon were maintained throughout the

emergency, using the national civil defense warning system and national civil defense communications systems facilities.

In the initial stages of the disaster, these specially engineered leased-wire voice and teletype communications systems provided the only communications link for command and control operations of civil government linking New Orleans, the State capital of Baton Rouge, OCD region 5 in Denton, Tex., and OCD in Washington.

B. FALLOUT SHELTER SUPPLIES

A total of about 2,600 cartons of emergency food (for supplies donated to local government by OCD for the community fallout shelter program) were released for use in the disaster. This amount will feed 15,000 persons on an austere basis for up to 2 weeks.

A total of about 1,000 water drums were ordered taken from shelter stocks to provide for water storage and supply. For example, 225 gallons of water in OCD water containers were delivered early September 11 to people needing drinking water at Nichols High School.

More than 700 cartons of fallout shelter sanitation supplies and equipment (designed to aid about 27,000 persons for 2 weeks) were made available to hurricane victims. (Within the State, supplies of civil defense food and of medical and sanitation equipment designed to support 403,000 people in shelters for up to 2 weeks, were available.)

C. PERSONNEL

At the State's request, a total of 10 disaster operations specialists from the OCD region 5 office were assigned to assist State and local civil defense units. These specialists supplemented State personnel in manning communications and operations posts at the State emergency operating centers. (The majority of city and State civil defense personnel operating in the emergency were equipped and trained under office of Civil Defense programs for attack emergencies.)

D. CHLORINE BARGE

OCD prepared to ship 5,200 gas masks, specially developed for children, as a result of potential danger from the chlorine barge sunk at Baton Rouge. OCD disaster planning specialists have been cooperating with Governor McKeithen, Baton Rouge authorities, Army personnel and State civil defense personnel on emergency plans for raising the barge.

For the Chief of Legislative Liaison:

J. L. BLACKWELL,
Colonel, GS, Office, Chief of Legislative Liaison.

2 enclosures.

CRITICAL PROBLEM: CHLORINE BARGE

1. A civilian-owned barge, containing 600 tons liquid chlorine in four tanks, broke loose during the hurricane and sank in the Mississippi River near Baton Rouge. The gas is a threat to the local population if the tanks vent or rupture.

2. Initial search operations were coordinated by the Coast Guard under the control of Maj. Gen. Reaves, CG, Fort Polk, La.

3. The Office of Emergency Planning (OEP) assigned coordination for search and salvage to Chief of Engineers on September 13, 1965.

4. The New Orleans district engineer closed 30 miles of the river to navigation in the Baton Rouge area.

5. The Army Corps of Engineers, Navy, Coast Guard, and Coast and Geodetic Survey actively participated in the search.

6. The barge was found at river mile 226.8 and positively identified at 2130 hours on September 16, 1965. It lies 200 feet from the east bank and 400 to 500 yards from the main navigation channel. The depth of water over the highest point of the barge is 38.3 feet.

7. The river was opened to navigation at 0200 hours on September 17, 1965.

8. Patrol boats with chlorine detection equipment check the area every half hour. The U.S. Public Health Service also takes periodic samples of water.

9. Fourth U.S. Army has a chemical command post in Baton Rouge to distribute gas masks (117,000 on hand) and to assist in evacuation planning. Army personnel have trained 300 civil defense instructors in the use of protective masks, prepared lesson plans and handouts for use in teaching the populous, and on assisting in preparation of an instructional TV script.

10. The Corps of Engineers, OEP, and the Department of Justice have jointly agreed that the barge should be removed under provision of Public Law 875 (Natural Disaster Act of 1950).

11. OCE expects to award a contract for salvage of the barge by September 29, 1965, with work scheduled to begin about October 4, 1965. It is estimated that 2 weeks will be required to raise the barge once operations commence.

12. In 1962, the Corps of Engineers raised a chlorine barge sunk 20 months before. In this case it took 10 days to locate, after a decision to do so, and 7 weeks to raise the chlorine tanks.

U.S. ARMY AND LOUISIANA NATIONAL GUARD MATERIAL AND EQUIPMENT,
HURRICANE BETSY

As of September 15, 1965, the following active Army and Louisiana National Guard material and equipment have been committed for disaster assistance in Louisiana:

a. Material:

Rations-----	48,884
Blankets-----	21,530
Cots-----	3,815
Mattresses (cotton)-----	4,766
Mattresses (air)-----	2,235
Mattress covers-----	90
Sheets-----	12,100
Pillows-----	50
Pillow cases-----	50
Pouch (human remains)-----	260

b. Equipment:

DUWKS-----	15
Truck, 1/4 ton-----	41
Truck, 1/2 ton-----	8
Truck, 3/4 ton-----	30
Truck, 3/4 ton (amb.)-----	6
Truck, 1 1/2 ton-----	2
Truck, 2 1/2 ton-----	211
Truck, 5 ton dump-----	12
Tractor, 5 ton-----	15
Tractor, 12 ton-----	29
Truck, gasoline (1,200 gal.)-----	2
Truck, water (1,200 gal.)-----	10
Sedan-----	15
Wrecker, 5 ton-----	8
Semitrailer-----	4
Trailer, 1/4 ton-----	16
Trailer, 3/4 ton-----	18
Trailer, 1 1/2 ton-----	55
Trailer, 12 ton-----	25
Trailer, water (250 gal.)-----	3
Van, 5 ton-----	8
Reefer, 5 ton van-----	10
Air compressor (trk-mtd)-----	1
Eradolator, trk-mtd (water purification)-----	1
Generators (various sizes)-----	115
Dozer, HD-16-----	2
Front loader-----	1
Shower unit-----	8
Medical supply set-----	1
Dispensary set-----	1
Engineer shop set-----	1

U.S. ARMY AND LOUISIANA NATIONAL GUARD MATERIAL AND EQUIPMENT,
HURRICANE BETSY—Continued.

b. Equipment—Continued

Field kitchen.....	25
Lister bags.....	25
Ice chests.....	35
Tent (general purpose).....	8
Radio, PRC-6.....	15
Radio, PRC-10.....	8
Radio, AN/GRC-26.....	5
Radio, AN/GRC-46.....	10
Mars station (portable).....	1
Aircraft, UH-19.....	3
Aircraft, UH-13.....	3
Aircraft, H-8.....	1
Protective masks.....	117,000

DEPARTMENT OF THE ARMY,
OFFICE OF THE SECRETARY OF THE ARMY,
Washington, D.C., September 23, 1965.

Memo for the Assistant to the Secretary of Defense (LA)

Subject: Army Corps of Engineers assistance in Louisiana disaster.

1. The Army Engineers have mobilized and are deployed on the emergency tasks of aiding recovery from the worst disaster in Louisiana history resulting from Hurricane Betsy. The death toll stands at about 100 and damages may total as much as \$1 billion. The President on September 10 declared this a "major disaster," authorizing Public Law 875 assistance. In the Greater New Orleans area, where high water caused many levee breaks, power failures caused delay in dewatering about 9 square miles of the city. About 300 vessels of all types and sizes were sunk during the hurricane within the Louisiana disaster area, including barge MTC 602, carrying about 600 tons of liquid chlorine.

2. The Army Corps of Engineers mobilized its forces to meet the onslaught of the hurricane and to cope with the burden of disaster assistance. Personnel of the New Orleans district under the direction of Col. Thomas J. Bowen, district engineer, continue to be reinforced. Under the statutory authorities of the Chief of Engineers, initial efforts were directed to rescue work, flood damage assessment, location of wrecks and other obstructions to navigation, and restoration of navigation facilities to operation.

3. Under OEP direction, the Army Engineers are assisting in restoring power and dewatering flooded areas in New Orleans and in the Venice area of Plaquemines Parish. The 4th Army has supplied portable electric generators, up to 30-kilowatt capacity, which are being loaned out by the Corps of Engineers for priority requirements. Corps contractor dredges and other equipment are pumping out flooded sectors in New Orleans and in Plaquemines Parish. Gates to check the now-falling water levels have been installed at critical locations. Electric motors at the flooded pumping plants require drying out to restore the pumps to operation.

4. The OEP also requested the Corps of Engineers to accomplish debris clearance in the New Orleans area, and this work is proceeding with utmost speed. At Baton Rouge, the city will do the debris clearance, with Engineer assistance.

J. L. BLACKWELL,
Colonel, GS, Office, Chief of Legislative Liaison
(For the Chief of Legislative Liaison).

DEPARTMENT OF THE NAVY,
OFFICE OF LEGISLATIVE AFFAIRS,
Washington, D.C.

Memorandum for Maj. Gen. C. R. Roderick, U.S. Air Force, Deputy Assistant to the Secretary of Defense (LA).

Subject: Hurricane Betsy disaster relief activities by the Navy.

(1) Over 2,000 Hurricane Betsy storm victims were rescued by the Navy and Coast Guard helicopters and approximately 11,000 homeless persons were shel-

tered at the naval station and naval air station during disaster relief activities in New Orleans last week.

(2) Dispensaries at the two naval stations provided emergency treatment to over 1,400 civilian refugees during the first days of the disaster. Medical services were also made available to 8,980 persons who sought temporary shelter at the naval station. Over 3,000 are still sheltered there (as of September 22).

(3) Navy ships, aircraft, and personnel have returned to their stations from the Baton Rouge area following the location of a sunken barge carrying 600 tons of liquid chlorine. The destroyer U.S.S. *Hyman*, two S-2F tracker aircraft from Norfolk, Va., and 23 Navy diving experts from Norfolk and Washington, D.C., aided in the search.

(4) U.S. Navy personnel and aircraft also provided assistance, shelter, and supplies in the aftermath of Hurricane Betsy's visit to Florida and the Bahama Islands.

(5) A Navy SA-16 Albatross aircraft from the Naval Air Station, Jacksonville, Fla., carried supplies to Abaco, Eluthra, Bimini, and other islands in the area; 1,000 blankets, 300 mattresses, 2,000 pieces of clothing, and 10,000 pounds of food were flown to the islands over a 5-day period, at the request of the U.S. consul, Nassau.

(6) Another NAS Jacksonville aircraft flew 1 ton of food and medical supplies to 75 persons at Marsh Harbor on Great Abaco Island in reply to a distress call.

(7) At Key West, Fla., the Navy provided assistance by sheltering an undetermined number of storm victims in temporary quarters on the naval base and by conducting surveillance flights of stricken areas to aid local officials in determining the extent of damage.

Very respectfully,

S. S. MANN, Jr.,
Captain, U.S. Navy, Deputy Chief.

DEPARTMENT OF THE AIR FORCE,
OFFICE OF THE SECRETARY,
Washington, September 24, 1965.

Memorandum for the Assistant to the Secretary of Defense (Legislative Affairs).
Subject: Air Force relief activities during Hurricane Betsy.

Prior to Hurricane Betsy's strike against the coast of southern Louisiana on September 10, 1965, the Air Force command post in the Pentagon and the command post of the Continental Air Command at Robins Air Force Base, Ga., prepared plans for the emergency. As a result, when the hurricane struck, Air Force Reserve and active duty personnel from units throughout the country were able to react quickly and effectively.

AIR FORCE RESERVE

Continental Air Command, the major command for the Air Reserve forces, located at Robins Air Force Base, Ga., mounted a giant airlift to the New Orleans, La., area. Air Force reservists from troop carrier wings in 11 States and a hard working group in New Orleans airlifted vital supplies and equipment into the New Orleans area.

C-119 "Flying Boxcars," C-123 "Providers," and 4-engine C-124 "Globemasters" airlifted over 546 tons and more than 500 passengers in 138 missions into the stricken area in the first few days after the disaster.

Hundreds of citizen-airmen from throughout the Nation responded to the call for assistance. Supplies airlifted included communications equipment, cots, blankets, field kitchen equipment, and food. These, and Army personnel needed to operate the kitchens, were flown into the area within hours after President Johnson declared it a disaster area.

The dedication and readiness of the Air Force reservists in this operation is reflected in the activities of the 926th Troop Carrier Group at the Naval Air Station in New Orleans. Some 250 reservists reported for duty in a downpour of rain, despite the fact that many of them suffered severe losses themselves. Leaving their families they pitched in to help with the almost overwhelming task of directing the aircraft into place, offloading emergency supplies, and getting most of the planes back into the air again. Although the Reserve unit was operating in total darkness due to electrical failure on Saturday, September 11, 30 Air Force reservists volunteered to go to the municipal airport to help offload

aircraft which had landed there. They also assisted with the housing of refugees, putting up several hundred in their operations and training building at the air station.

The airlift started Saturday morning, September 11, with the airlift of tons of communications equipment, and personnel from Columbus, Ohio, Chicago, and Indianapolis, to New Orleans. By that afternoon the crews had completed the delivery of the communications equipment and they directed their efforts toward the airlift of thousands of blankets, cots, tons of food and the equipment and personnel needed to prepare the food so urgently needed by thousands of storm refugees in the New Orleans area.

Throughout Sunday, September 12, the Reserve crews continued their stream of emergency supplies and equipment into the area. They arrived and departed with rapid precision, and most averaged only 15 to 30 minutes groundtime for unloading before taking to the air again.

The next day more communications equipment, generators and other supplies poured into the area. By Wednesday, September 15, the stream of aircraft had slowed to a trickle with two Reserve planes lifting supplies into the area.

The Air Force Reserve citizen-airmen flew a total of more than 430,000 ton-miles and 275,000 passenger-miles.

Thirteen of Continental Air Command's Air Force Reserve troop carrier wings supported the airlift. The Command Post of CONAC at Robins directed the lift of critically needed personnel and material into the area. CONAC is commanded by Lt. Gen. Cecil H. Childre.

Aircraft and crews from groups of the following Air Force Reserve troop carrier wings took part in the airlift: 433d, Kelly Air Force Base, Tex.; 446th, Ellington Air Force Base, Tex.; 512th, Carswell Air Force Base, Tex.; 302d, Clinton County Air Force Base, Ohio; 445th, Dobbins Air Force Base, Ga.; 434th, Bakalar Air Force Base, Ind.; 442d, Richards-Gebaur Air Force Base, Mo.; 403d, Selfridge Air Force Base, Mich.; 440th, General Billy Mitchell Field, Wis.; 452d, March Air Force Base, Calif.; 459th, Andrews Air Force Base, Md.; 514th, McGuire Air Force Base, N.J.; and 435th, Homestead Air Force Base, Fla.

AIR NATIONAL GUARD

Air National Guard C-97's, C-121's, and C-54's flew numerous missions carrying relief supplies from various sections of the Nation into the New Orleans area. One Tennessee Air National Guard C-97 airlifted 2 tons of telephone wire, another carried a load of portable generators given by the McCulloch Chain Saw Co., and other flights from Guard units carried medical supplies, clothing, and food.

Ground Electronics Engineering and Installation Agency units and communications maintenance units of the Louisiana Air National Guard, on State active duty, performed on-the-spot relief work, operating mobile communications and providing ground transportation and other support. Air Guard units in other States loaned power generators and communications equipment for use in the emergency. In addition, one officer and four airmen (all air technicians) were sent by the Alabama Air National Guard to help in the establishment and operation of radio facilities.

CIVIL AIR PATROL

Hundreds of Civil Air Patrol members, who began rescue and disaster relief operations on September 11, aided hurricane-torn Louisiana, performing relief and cleanup operations.

The entire Louisiana Civil Air Patrol Wing was alerted September 8 when it became evident that the full force of Hurricane Betsy would hit that State, and Louisiana State Civil Defense officials were advised that CAP's resources and personnel were prepared to aid in disaster relief.

Approximately 700 CAP members participated in the disaster relief under the direction of State and local parish civil defense agencies.

Thirty-five gasoline-driven power generators, virtually all such equipment possessed by Louisiana CAP, was pressed into service during the storm to provide emergency power for many purposes, including preservation of cold storage meats destined for school lunches in St. Mary's Parish and emergency power for Acadia's radio station, sole communications advisory source for that area during the intensity of the storm.

In addition to the generators, CAP committed 75 land vehicles (trucks, ambulances, jeeps) to the task of evacuation and rescue of stranded victims; 12 air-

craft were made available for surveillance and refugee-sighting flights, while more than 100 CAP radio stations, fixed and mobile, were put into emergency service.

Frequently, these CAP communications units were the only source which local civil defense and other relief agencies had available to carry out their rescue and relief operations.

Summarizing CAP's role, Col. Joseph G. Ehrlicher, CAP Louisiana wing commander said, "Everything we had, gas generators, rolling stock, communications facilities, were used and many of our people even used their own automobiles and personal boats to assist in the 'little Dunkirk' which took place here. They manned refugee shelters, flew aerial surveillance and refugee spotting missions, manned communications posts, assisted Red Cross in food handling and distribution at the shelters and drove ambulances and trucks."

Colonel Ehrlicher cited as one unusual mission flown by CAP, a mission performed by CAP Maj. Eugene Schuler of the New Orleans Senior Squadron, as indicative of the wide-ranging services performed by CAP. "Major Schuler," he said, "flew a PA-12 aircraft for 6 hours, immediately after the hurricane winds had subsided, broadcasting, via loudspeaker, information and guidance to thousands of stranded refugees advising them on evacuation routes and, in the case of rooftop victims, when and where rescue could be expected."

The wing commander also said CAP units in the unaffected areas of Louisiana and CAP's Mississippi wing had sprung into quick action, flying clothing and other needed relief items into the stricken area.

ACTIVE DUTY AIR FORCE

Approximately 130 USAF active duty personnel participated in relief activities resulting from Hurricane Betsy.

A MATS C-130 flew into Baton Rouge, La., from Andrews Air Force Base, Md., and Charleston Air Force Base, S.C., with 23 Navy divers and equipment for the search of a missing barge loaded with 600 tons of liquid chlorine.

TAC's Special Air Warfare Center at Hurlburt Field, Fla., airlifted 75 boxes of clothing to the hurricane victims in Louisiana. The cargo was off-loaded in New Orleans and then delivered to the Salvation Army for distribution to needy persons.

An Air Force T-39 flew 600 kits of snakebite serum from Olmsted Air Force Base, Pa., at the request of the New Orleans Civil Defense Committee.

JOSEPH J. F. CLARK,
Colonel, USAF,

Deputy Director for Legislation and Investigations, Legislative Liaison.

Mr. MORRISON. Mr. Chairman, I would likewise like to compliment the very able gentleman. I think we have been very fortunate in past years in having this gentleman in the position that he holds. It's been on many occasions through necessity for me to have to call on Colonel Bowen on matters rather large and some matters that were very small, but all of great importance to the people in the district. He is a man that always impressed me; instead of figuring out 10 reasons why something couldn't be done, he tried to figure out 1 reason why it could be done, and go ahead and do it; and he did just about everything I ever asked him—I don't believe he ever turned me down; sometimes he put a couple of exceptions to it, and these two exceptions were: "Get me the law, and get me the money, and," he said, "I will go ahead and do it." But much has been said here today by the Governor and others about the chlorine barge. I don't know of anything that perhaps was more important at the time than finding that barge, from a time standpoint, because of the complete stoppage of river traffic and the indirect effect that it had on all transportation here in this State; and it was through your leadership, and I believe it was on your boat, U.S. Engineers' boat, that this special equipment of the Tennessee Gas Transmission Co. was placed there by two of their experts, and the boat was found, and found in 60 feet of water; and

after that, river traffic commenced to operate in its normal channel. I certainly say for that, and so many, many other accomplishments and what you have done, the tremendous amount of leadership that you have displayed with your various people under you, I think that this committee should know that you certainly have done a magnificent job, and in many instances under very difficult and amazing circumstances. Thank you.

Mr. GRAY. Any questions or comments on my right?

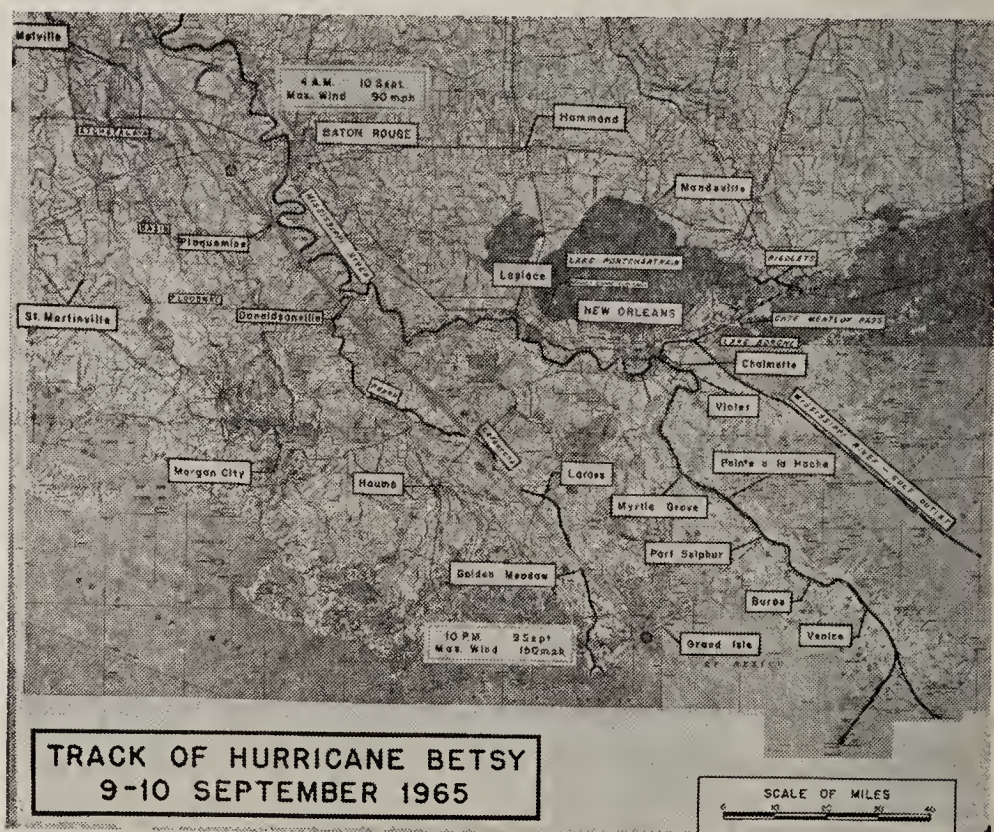
Colonel Bowen, before leaving, I would like to have you identify the five photographs which you described so we can put them in the record. Are these the photographs that you described that you passed out to the committee?

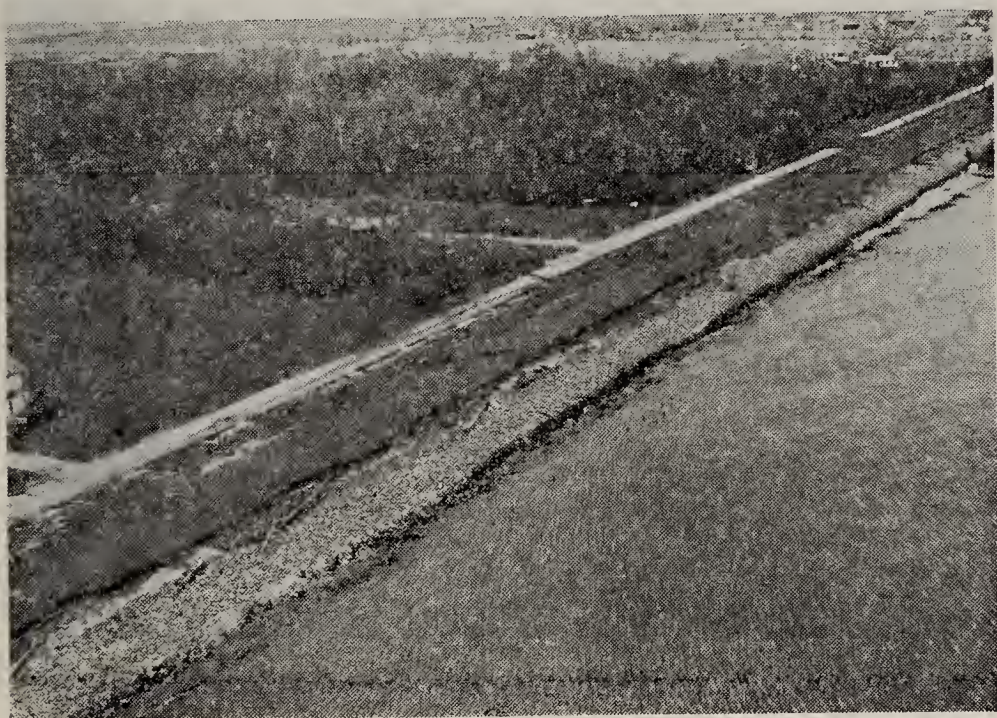
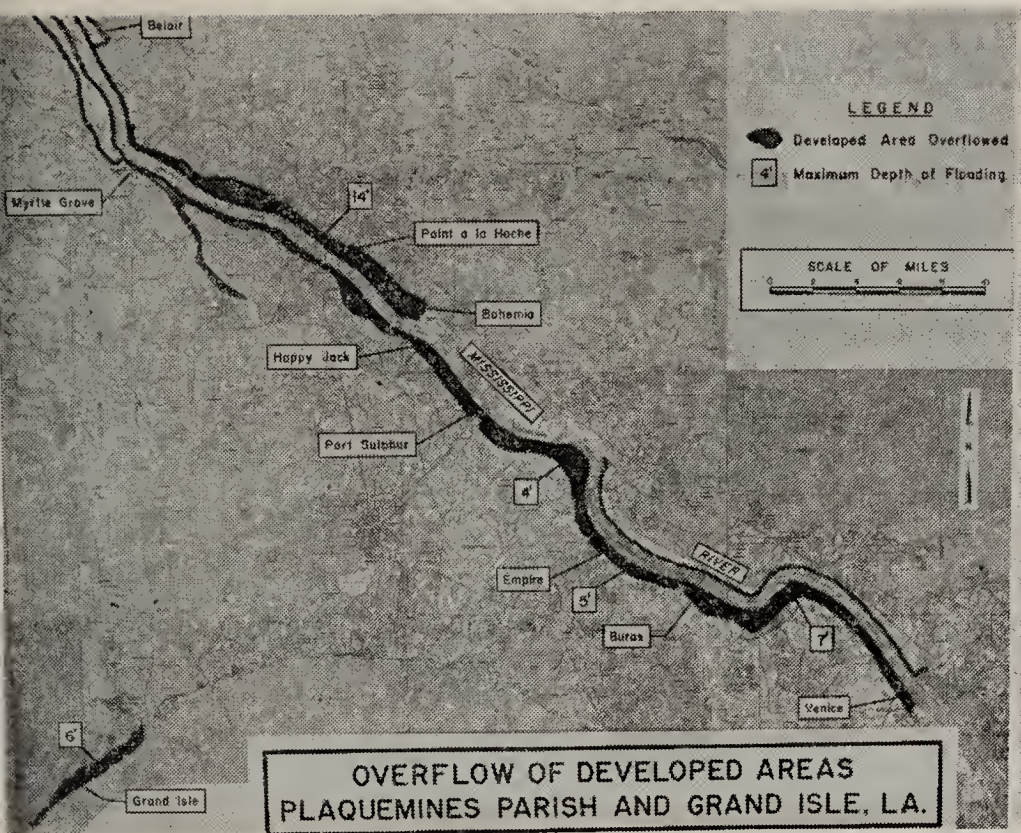
Colonel BOWEN. Yes, sir; they are numbered.

Mr. GRAY. Without objection, they will be made a part of the record; and on behalf of the chairman and members of the committee, I do want to join the great Louisiana delegation in passing commendation from the Chief of Engineers all the way down to the pumper and the sweeper for the outstanding job that you have done here in this disaster.

Colonel BOWEN. Thank you, sir.

(Charts and photographs follow:)





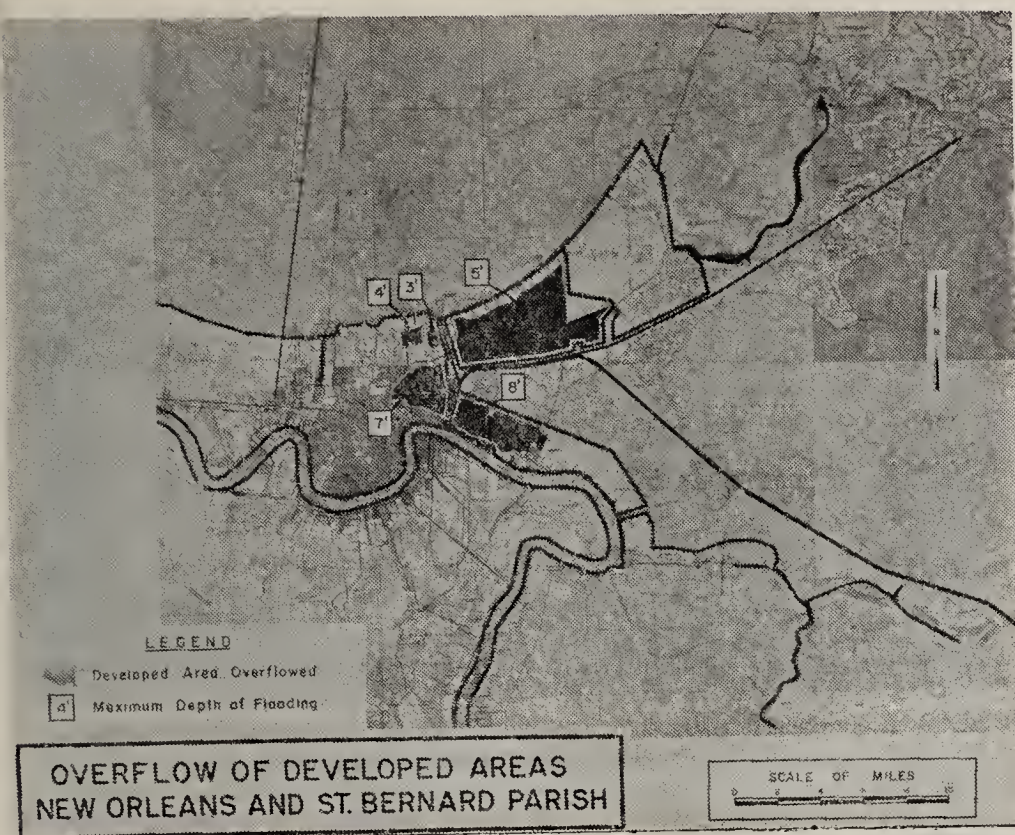
West Mississippi River levee, vicinity Myrtle Grove, 41 river miles below New Orleans, shows erosion at crown.



West Mississippi River levee, vicinity Empire, 71 river miles below New Orleans, shows additional erosion at crown.



Grand Isle, viewed from the west, shows highway damage, beach destruction, and displaced homes. Many homes and camps on the beach area are missing.



Downtown New Orleans and St. Bernard Parish, viewed looking from the industrial canal, shows extensive flooding.



Downtown New Orleans, west of the industrial canal, shows extensive flooding in the vicinity of Federal housing projects.

Mr. GRAY. Thank you very much. You may be excused, Colonel Bowen.

It's a pleasure for the Chair to recognize, as the next witness, our good friend and outstanding majority whip in the U.S. House of Representatives, your own Congressman from the Second Congressional District, Hale Boggs.

Mr. BOGGS. Thank you, Mr. Chairman. I know we have a great many witnesses, and I shall try to be as brief as possible, and yet to try to get some of the information in the record which I feel must be in it.

First, let me say that I am very grateful indeed to Chairman Jones and all of the other members of this subcommittee for coming here, for making this on-the-spot exhaustive inquiry into the problems that we are confronted with as a result of this major, national disaster. Then let me try, if I may, to summarize a bit what happened and what, as I see, we must do to remedy some of the damage.

Mayor Schiro, whose jurisdiction includes a part of both congressional districts, and the representatives of the First and Second Districts who will testify in a few minutes, Mr. Donelon and the sheriffs of St. James, St. Charles, and St. John the Baptist, who will be heard shortly.

Mr. Chairman, beginning—the last communication that I had with New Orleans the day of the hurricane was at 4 p.m., this time. From that time on, it was impossible to get any type of telephonic communication with this area. The next morning, just by constant dialing of the telephone, I was able to get the city editor of the New Orleans States-Item here about 6 o'clock in the morning, and he informed me as best he could of the extent of the damage, although he was not

cognizant of the magnitude of it because nobody else was. During the day, the members of the delegation, led by Senator Long, urged President Johnson to come here. As all of you know, the President came, and he saw the disaster area, and recommended that a great many steps be taken immediately.

Let me say at the outset that, while this has been a tremendous disaster propertywise, the job in moving people and evacuating people and saving lives, in my judgment, is commendable; it's magnificent, and deserves the praise of the people all over our country. Some people I notice have tried to be critical. The best way to answer that criticism is to compare what happened now to what happened in the past.

In 1893, for instance, we had a hurricane that hit this State that took 2,000 lives. As late as 1957, we had another one that took over 500 lives. Yet this hurricane, where the damage was maybe tenfold, if not fiftyfold, what the 1957 hurricane was, so far in the four States affected has taken less than a hundred lives. Now, this is not to bring back the life of any person who lost it, but it does show the remarkable job done by the constituted agencies in moving, I am told, almost a half a million people to safety in a record period of time; and I think that should be made a part of the record, and the people of the country should understand it.

Now, from the time that the disaster, the extent of the disaster, became known, all types of operations have been working here. The President, before he left here at the airport, using the authority of the Disaster Act Congress has passed, declared this area a major disaster area; and the Corps of Engineers have outlined the magnificent work that they have done. Congressman Hébert has pointed to the magnificent job of the armed services generally. I may say to you that I stood at the airport on Saturday morning when the airport itself was still very incapacitated, and even then these flying boxcars of the Air Force were flying in food and medicines and emergency telephone and communications equipment to restore the area. The work done by the Army, the Navy, and Air Force, Coast Guard, by the SBA, by the Housing Administration, by the Office of Emergency Planning, by the Treasury Department, by the Public Roads, by the Departments of Agriculture, Health, Education, and Welfare, by the local agencies, the Governor, the public officials, the mayor, the parish officials, I think is something that all of us can be quite proud about.

Now, there are areas where we do need legislation, and that's why this committee is here. I always believe that we have to look at a problem and try to find a solution to it. Everybody knows that we have major problems as a result of this disaster.

To give you some extent of the amount of disaster, I have asked the competent agencies here to provide me as best they can with their estimates. The New Orleans Insurance Exchange estimates that the damage in the New Orleans metropolitan area runs between \$600 and \$800 million. Now, I have asked other agencies to give me a breakdown; that includes the board of commissioners of the port of New Orleans, the shipbuilding interests, Avondale principally because of the large ships involved there, the private commercial interests, the local interests, the schools, both public and private, the universities, the agricultural interests.

Starting with the latter first, it's been estimated, Mr. Chairman, that approximately 25 percent of the sugar crop was destroyed in Louisiana. More in Baton Rouge from the Department of Agriculture of the State of Louisiana, I am sure that you will get detailed figures with respect to rice, cotton, sugarcane, timber damage and the other damage to crops in Louisiana, including our oyster crops and fishery industries. Be it said that these damages are very substantial and quite real. Also, I have gotten these estimates from the various school systems in the State; I have them all here, and I shall not delay you by reading each one of these estimates, but I would like to make them all a part of the record.

Mr. GRAY. Without objection, they shall be entered into the hearing. (The material furnished by Mr. Boggs follows:)

SCHOOL DAMAGE

TULANE UNIVERSITY,

New Orleans, La., September 27, 1965.

HON. ROBERT E. JONES,
Chairman, Flood Control Subcommittee,
The House of Representatives,
Washington, D.C.

DEAR MR. JONES: Although representatives of Tulane University attended the hearing of your subcommittee held in New Orleans on September 25, 1965, we did not make an oral presentation. We wish, therefore, to seek this means of presenting testimony in support of the proposed amendment to existing disaster relief legislation which would provide assistance to nonpublic institutions of higher education. We were heartened and gratified by statements made at the hearing by Congressman Boggs and other Congressmen from Louisiana, as well as by members of your subcommittee, to the effect that private educational institutions properly should be included in all Federal legislation, the purpose of which is to provide relief to the victims of natural disasters.

Tulane University is a private, nonsectarian, independently operated university with a total enrollment of approximately 8,500 students. Its student body is drawn from all 50 States of the Union. The costs of damage suffered on the University campus as a result of Hurricane Betsy will approach \$500,000, of which only \$100,000 is covered by insurance. The balance of the loss of \$400,000 will have to come from tuitions and endowment earnings and will be on top of an already existing operating deficit.

We firmly believe that private institutions of higher education should receive the same consideration under Federal laws as institutions supported by public funds. Although Tulane University is private by charter and by management, it serves the educational needs of the public—the boys and girls of the Nation—on exactly the same basis as does the State-supported institution. If it were not able to afford an education to the 8,500 young men and women presently in attendance, they would be forced to seek education elsewhere—mostly in tax-supported institutions.

In further support of our position, we point out that the Congress of the United States has enacted numerous statutes providing financial programs of assistance to institutions of higher education—programs involving student loans and scholarships, construction and research. These programs invariably have been made available without distinction to both private and public institutions. There is no basis of depriving the private institution of the same consideration when disaster strikes.

We respectfully urge that your subcommittee support appropriate legislation which will provide private institutions with relief from damages suffered in Hurricane Betsy and in future similar disasters.

We take this opportunity of joining with the other citizens of our community and State to express our deep appreciation to you and to the members of your subcommittee for holding a hearing in New Orleans, for your many expressions of sympathy, and for your avowed intentions of extending all possible Federal relief to New Orleans and to Louisiana.

Sincerely,

CLARENCE SCHEPS,
Vice President and Comptroller.

DENECHAUD & DENECHAUD,
ATTORNEYS AND COUNSELORS AT LAW,
New Orleans, La., September 27, 1965.

Congressman ROBERT JONES,
Chairman, Special Committee To Investigate Hurricane Betsy,
Rayburn Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: On behalf of the Roman Catholic Church of the Archdiocese of New Orleans, I wish to advise that the archdiocese has sustained solely for damages to schools as a result of Hurricane Betsy, approximately \$3 to \$3½ million. The value of archdiocesan school buildings and contents located exclusively in the flooded areas would amount to approximately \$2,800,000. A rough estimate of damages caused solely by flooding to the schools in this area is approximately \$1 million.

Congressman Boggs has suggested that this letter be written to you so that same might become a part of the official record.

Please bear in mind that our insurance adjusters have not had adequate time to properly evaluate the enormous damages, and the above figures represent as good an estimate as we can make as of this time.

I know that you and your committee will attempt to render to the archdiocese of New Orleans, which operates and maintains 42 high schools and 122 elementary schools with a total enrollment of close to 80,000 students for the 1965-66 school year, whatever assistance is possible.

We again thank you for the splendid assistance which you are attempting to render to our community.

Very sincerely yours,

CHARLES I. DENECHAUD, Jr.

ST. MARY'S DOMINICAN COLLEGE,
New Orleans, La., September 24, 1965.

Re St. Mary's Dominican College hurricane damage.

HON. HALE BOGGS,
636 Federal Building, New Orleans, La.

DEAR CONGRESSMAN BOGGS: Supplementing my telegram of today which stated as follows:

"Hurricane damage \$135,000 to buildings and grounds, St. Mary's Dominican College. Detailed report sent special delivery today."

Attached is detailed estimate of damage.

Sincerely yours,

Sister MARY LOUISE, O.P.,
President.

(Detailed breakdown will be found in committee files.)

NEW ORLEANS, LA., *September 22, 1965.*

HON. HALE BOGGS,
U.S. Congress,
Washington, D.C.:

We estimate damages inflicted on Jefferson Parish public schools by Hurricane Betsy to be approximately \$2½ to \$3 million. Your kind help in this matter is sincerely appreciated by this parish.

ALFRED T. LITTLE,
Superintendent, Jefferson Parish Public Schools.

NEW ORLEANS, LA., *September 23, 1965.*

HALE BOGGS,
Member of Congress, House of Representatives,
Washington, D.C.:

Parochial schools Orleans, Jefferson, St. Charles, St. John civil parishes suffered between \$2.5 and \$3 million in damages, Hurricane Betsy.

HENRY C. BEZOU,
Archdiocesan Superintendent of Schools.

RESERVE, LA., *September 22, 1965.*

HON. HALE BOGGS,
Member of Congress,
Washington, D.C.:

In reply to your telegram, approximate damage suffered by public school in St. John the Baptist Parish approximate one-half million dollars. Hope this is the information you need.

ALBERT T. BECHNEL,
Superintendent, Public Schools.

LUTCHER, LA., *September 23, 1965.*

HON. HALE BOGGS,
Member of Congress,
Washington, D.C.:

Hurricane Betsy damage to public schools, St. James Parish, estimated between \$450,000 to \$500,000.

E. L. ROUSSELL,
Superintendent of Schools.

NEW ORLEANS, LA., *September 24, 1965.*

HALE BOGGS,
Roosevelt Hotel, New Orleans:

Approximate amount of damage suffered by Xavier University from Hurricane Betsy, \$60,000.

Sister MARIS STELLA,
President, Xavier University.

NEW ORLEANS, LA., *September 22, 1965.*

HALE BOGGS,
Member of Congress,
Washington, D.C.:

Retel damage to school property approximately \$6,500.

Regards,

JOHN CURTIS CHRISTIAN SCHOOL,
Rev. JOHN CURTIS, *Principal.*

NEW ORLEANS, LA., *September 23, 1965.*

Congressman HALE BOGGS,
Louisiana Representative,
Washington, D.C.:

In reply to your telegram, Hurricane Betsy damages on Kehoe Academy Elementary School, New Orleans, La. Total damage estimated \$7,400.

CATHARINE ELEN KEHOE,
Principal, Kehoe Academy.

NEW ORLEANS, LA., *September 24, 1965.*

HON. HALE BOGGS,
Office of the Democratic Whip,
Washington, D.C.:

Accurate evaluation of damage to school as a result of Hurricane Betsy not yet available. Best estimate at this time is about \$10,000.

BUSINESS MANAGER ISIDORE NEWMAN SCHOOL.

NEW ORLEANS, LA., *September 22, 1965.*

HON. HALE BOGGS,
Member of Congress, Washington, D.C.:

Conservative estimate of damage to school by hurricane Betsy \$30,000. Thanks for your continued interest and work in our behalf.

SAM BARTHE, Jr.,
Sam Barthe School, Metairie, La.

NEW ORLEANS, LA., *September 23, 1965.*

HON. HALE BOGGS,
House of Representatives, Washington, D.C.:

Marjorie Walters School, Metairie, was most fortunate. Estimate damage to three buildings at \$1,000. Appreciate your interest and consideration.

LYNN WALTERS,
Headmaster, Marjorie Walters School.

NEW ORLEANS, LA., *September 23, 1965.*

Representative HALE BOGGS,
Washington, D.C.:

Damage approximately \$4,500 to \$5,000. It may be more as we find more equipment and fixtures affected than first supposed.

JOHN A. WALLS,
Director, Rugby Academy.

NEW ORLEANS, LA., *September 23, 1965.*

HON. HALE BOGGS,
*U.S. Representative From Louisiana,
House of Representatives, Washington, D.C.:*

Hurricane damage suffered at St. Martin's Protestant Episcopal School approximately \$8,000. This includes damage to roofs, window glass, fences, water damage to books and furniture, clean up of tree damage.

ELLSWORTH VAN SALTE, *Headmaster.*

NEW ORLEANS, LA., *September 22, 1965.*

HALE BOGGS,
Member of Congress, Washington, D.C.:

Suffered approximately \$25,000 damage from Hurricane Betsy.

M. CARTER HALL, Jr.,
Headmaster, Metairie Park Country Day School, Metairie, La.

NEW ORLEANS, LA., *September 24, 1965.*

HON. HALE BOGGS,
Member of Congress, Washington, D.C.:

We suffered damages as a result of Hurricane Betsy. However we feel that we are able to sustain our own losses. Please support our new building petition before the city council October 7. This will be appreciated by 4,200 members of our congregation, 1,400 school parents, and the 30,000 Baptists in the New Orleans Baptist Association. Let us hear from you before October 7.

J. PAUL DRISCOLL, *Pastor.*
VINCENT X. ZANCA, *Principal.*

NEW ORLEANS, LA., *September 21, 1965.*

HON. HALE BOGGS,
Member of Congress, Washington, D.C.:

Regarding damage, Magnolia School, Jefferson Parish, results of hurricane, \$25,000 to \$30,000.

DANIEL F. GRAHAM,
Executive Director, Magnolia School.

NEW ORLEANS, LA., *September 24, 1965.*

HON. HALE BOGGS,
Member of Congress, Washington, D.C.:

Damage of hurricane to the Stuart Preparatory High School is approximately \$7,700. Damage to Stuart Elementary School \$2,200.

STUART H. FOURROUX, *Principal.*

NEW ORLEANS, LA., *September 24, 1965.*

Congressman HALE BOGGS,
Washington, D.C.:

Re your telegram approximate hurricane damage to Uptown School Association, \$1,500.

ALLEN E. KABLE, *President.*

BATON ROUGE, LA., *September 21, 1965.*

Hon. HALE BOGGS,
Member of Congress, Washington, D.C.:

Monsignor Lieux out of town. Betsy damage St. James Parish parochial schools estimated \$45,000 to \$50,000.

P. E. MARIONNEAUX, *Assistant Superintendent.*

SEPTEMBER 24, 1965.

To : Mr. Boggs.

From : Pat.

Subject : Estimate of hurricane damage.

Mr. Harry deKay, principal of the following private schools, estimates his damage to be a total of in excess of \$50,000 (some of which will be covered by insurance—amount of coverage unknown). Gentilly Elementary School, Prytania High School, and Prytania Elementary School.

PARISH AND CITY DAMAGE

CITY OF KENNER, LA., *September 22, 1965.*

Hon. HALE BOGGS,
Congressman, Washington, D.C.

DEAR HALE: With reference to your telegram of the 21st, we have made a complete inspection of the city of Kenner and have broken the damage down into sections and subdivisions. Attached you will find the amount of damage done in each subdivision broken down into three categories. Homes that were destroyed in the \$15,000 category, major repairs in the \$3,000 category, minor repairs in the \$1,000 category, bearing in mind, none of this includes the furnishings in the homes, which we are unable to account. As far as we can ascertain the homes and business establishments in the city of Kenner is approximately \$6 million. The city of Kenner has suffered some \$13,000 damage to its properties that are not insured under the regular fire and windstorm insurance. Along with this, the city has made its application for Federal assistance in debris clearance, streets, roads and bridges, public buildings and related equipment and drainage. At the present time we have, by resolution, authorized the Corps of Engineers to handle our drainage problem, which they assured us they will do.

The city of Kenner has undertaken its own debris clearing with the approval of Federal authorities for reimbursement. We have hired trucks, men, and equipment upon instruction from Mr. Hasting's office. They have given us a table and schedule of amounts to be paid per hour for each type of equipment and also for the amount per hour we must pay our laborers. This we are following.

Our crew has been working for 1 week and it appears the weekly payroll will be approximately \$8,000 per week. We are anticipating this cleanup program to be completed within 7 weeks, which means that another \$55,000 to \$60,000 must be allocated along with the \$12,000 to reimburse the city for moneys it will be outting out of its pocket within the next 7 weeks.

Hoping the above information will help you in your hearing on Saturday, I remain,

Yours very truly,

EDWARD D'GEROLAMO, *Mayor.*

NEW ORLEANS, LA., September 22, 1965.

Hon. HALE BOGGS, M.C.
Washington, D.C.:

Estimate the approximate amount of damage from Hurricane Betsy suffered by our community consisting of $3\frac{1}{3}$ square miles, population 25,000, at \$4 million.

WM. J. WHITE, Mayor of Gretna.

NEW ORLEANS, LA., September 22, 1965.

Hon. HALE BOGGS,
House of Representatives, Washington, D.C.:

My conservative estimate for damages caused by Hurricane Betsy in the city of Harahan would be \$1 $\frac{1}{2}$ million. If further information is needed I would gladly assist in a more detail report.

Kindest personal regards,

PAUL W. MARCOTTE,
Mayor, City of Harahan.

NEW ORLEANS, LA., September 21, 1965.

Hon. HALE BOGGS, M.C.
Washington, D.C.:

Wish to advise that damage done by Betsy in St. John Parish is estimated at \$20 million.

P. D. HÉBERT,
Sheriff, St. John Parish.

HAHNVILLE, LA., September 21, 1965.

Hon. HALE BOGGS,
Member of Congress, Washington, D.C.

DEAR HALE: Estimated personal property damage in the parish of St. Charles \$5 to \$7 million exclusive of industrial public utilities, and crop damage. Sincerely hope this will answer your question. If not wire or telephone. Will try to give you more.

JOHN ST. AMANT, Sheriff.

SEPTEMBER 24, 1965.

To: Mr. Boggs
From: Pat.

Sheriff Gordon Martin telephoned and gave me the following estimates of hurricane damage to St. James Parish:

	<i>Millions of dollars</i>
Crop damage-----	3 $\frac{1}{2}$
Industrial plants damage-----	2 $\frac{1}{2}$
Personal property damage-----	3 $\frac{1}{2}$
Public utilities damage-----	2
Public property damage-----	1
Total estimated damage-----	12 $\frac{1}{2}$

SHIPPING DAMAGE

NEW ORLEANS, LA., September 22, 1965.

Hon. HALE BOGGS,
House of Representatives,
Washington, D.C.:

Reurtel September 21 hurricane damage Avondale's plants including main plant. Harvey Division, Service Foundry, Morgan City Division and Avoncraft Division suffered minor damages mostly to roofs and some equipment. Lost with ships in the water. Severe damage suffered on ships already launched and in various stages of completion. Five Lykes' C-4's broke from their moorings. Two were sunk. Six miles above Avondale other three have been unbeached and returned to plant. Two Navy vessels being converted for Project Apollo reentry ships broke from their moorings and beached themselves up river from Avondale.

Have been returned to plant. One Mexican drilling rig broke loose and beached itself above Avondale. Has been returned to plant not now known whether two sunken ships can be raised, study being made by underwriters. Addition to above miscellaneous barges being constructed or in for repairs broke loose. Hope to have them returned with minor damages. Total loss could approximate \$25 million.

HENRY Z. CARTER,
President, Avondale Shipyards, Inc.

NEW ORLEANS, LA., September 24, 1965.

Hon. HALE BOGGS,
*Care Roosevelt Hotel,
South New Orleans, La.:*

Re your request damage estimate following wire sent to Governor McKeithen. "Estimate damage to physical property of this board \$5 to \$6 million. This rough estimate does not repeat not include damage to port facilities owned by private interests, damages to cargo. Loss of use of facilities or damage to ships, barges, private floating, plant, or costs of removing private plant afloat sunk or beached obstructing our property."

AMOS DOCKBOARD.

(Other material in committee files.)

Mr. Boggs. Right. Now, Mr. Chairman, what these figures point up are several areas where we need action, and we need it as rapidly as possible. I don't want to hold out any false hopes to anyone, but I think that there are areas where we must try, and we must try with all our energy at our command.

I will start first with the areas that are covered; and I think this is a great tribute to what Congress had done in the past: No. 1 practically all public installations are already covered. For instance, this great port here, Mr. Amos, the director of the port, wired me on Saturday, the Saturday after the hurricane, telling me that the port was out of commission, and that the amount of damage was incalculable. I therefore contacted Mr. Phillips, who remained here with the President's party, and he contacted the Army Engineers and on Monday morning, a meeting was held, and within practically no time, the port was back in operation. In addition to that, the Department of Agriculture, in order to make up for the problems created by the chlorine barge blocking transport in the Mississippi River, released a sizable quantity of grain for rail transport in order to load the ships which were awaiting loading in the port of New Orleans, and that was and has been done. The point is that that damage can be compensated, practically all of it, out of available Federal funds or out of supplemental appropriations which can be made available under existing authorizations.

The same thing applies to other public installations, public buildings, public schools, sewerage, drainage, all of the other types of public installations.

As you know, the Corps of Engineers in some instances has contracted for debris removal, which also is compensable.

Now, that leads us to, and I am saying this very quickly, to the areas where there are no programs except Red Cross and direct relief of that nature. I have mentioned already the farmers, and I repeat that because of the fact that they have been doubly hurt with two hurricanes in a row, and they have had some meetings, and they have been informed, that they have almost, as I said a moment ago, to take a poverty oath in order to qualify for a loan.

Now, Mr. Chairman, this is something we should take immediate cognizance of. We have representatives here from the American Sugar Cane League, the estimate of the damage to the crops is in the record that I have just submitted. I said roughly it's about 25 percent of the crop, but dollarwise I think it translates into about \$25 million. That's No. 1.

No. 2, in the area of legislation such as implementation of the Flood Insurance Act that we have already passed, I think this is something that we can also do before this Congress adjourns. That of course is not helpful to the people who have been flooded. Now, in the jurisdiction of your committee, as I understand it, you have the power to make complete recommendations for any individual disaster. I would hope that in that recommendation you would include a program of direct grants to people who have no other assistance. The Senate has already passed a bill which would do that; and I would think that we would have enough time to do it now. That would include the people who—they have already been helped with food and with clothes and with medicine and with shelter, but now the problem is what you do about the shelter that was destroyed that you saw, and the furniture that was wrecked, and so on; some of the homes are completely without means.

Then a third problem is also rather unique to our area, and that's the problem of education. We have a dual system of education in south Louisiana. We have a great public school system; and I am told that the public school system here in New Orleans is damaged about \$8 million—those are the figures that I have—but under the bill that we have already passed, they can probably be compensated; but the private schools, parochial and otherwise, are not covered; and they constitute a very important phase of our education in this area; and our educational institutions as I said a moment ago, such as Tulane, Loyola, and the rest of them, they too are not covered. So we need a direct relief in those areas of activity.

Mr. Chairman, I agree with what the Governor said that the people who have helped most have been those who have helped themselves. There is one thing about a disaster, and that is that people immediately get out and try to do something to help themselves. On the bright side, the amount of progress made here since the visit of the President, since the disaster occurred, has been quite phenomenal. There was something like 350,000 telephones out of commission. All of them that can be restored have been restored. A.T. & T. said this was the greatest disaster that had ever affected their company. There were areas here in St. James, St. John, St. Charles Parishes where there wasn't a single electrical circuit in operation, not one, in all of that—most of that, I say "all of it"—most of that has been restored. Now, there were areas where every roof was damaged, and at least temporary repairs have been made. So that the community is moving, it's active, it's looking at the problem; but what I have pointed out to you are the areas where we need immediate congressional attention; and finally, the ultimate for protection against these kind of disasters, I am sure that all of you were quite pleased with the presentation of the Army engineer.

There are other programs underway. There is a great research program being conducted in conjunction with and cooperation of the Navy Department and Weather Bureau called Operation Storm Fury, which is designed if possible to use all of the knowledge of mankind to take a look at what a hurricane is, how to maybe change its direc-

tion if possible. It's estimated that 1 hour's energy of a hurricane the size of Betsy is the equivalent of all the electrical energy generated in the United States in a year, gives some idea of the force of this kind of disaster.

So, finally, Mr. Chairman, let me thank you again for coming; let me commend you and all of the other people who have assisted us in this disaster; and express the hope that the result of your visit will be a very constructive one indeed. Thank you very much.

Mr. JONES. Thank you, Mr. Boggs. I want to assure you that the observations that you made to the committee this morning will be heeded. Always, there is difficulty in writing this type of legislation; it's almost wholly impossible to make a universal approach to all the types of unique situations that invariably are borne with these types of disaster. So, therefore, it has been the policy of the committee to go in every area where we have had occurrences such as you have had in order that we can determine it firsthand, and to see for ourselves what these problems are, how we will address ourselves to giving aid and assistance under whatever type legislation we can pass. I want to assure you again that the problem will not go begging, but will have the attention of this committee.

Mr. BOGGS. For the benefit of the record, I would like to include a letter from General Collins of the Red Cross, showing the preliminary estimates of damage in New Orleans.

Mr. JONES. Without objection, that will be made a part of the record at this point.

(The letter follows:)

THE AMERICAN NATIONAL RED CROSS,
OFFICE OF THE PRESIDENT,
Washington, D.C., September 14, 1965.

HON. HALE BOGGS,
The House of Representatives,
Washington, D.C.

DEAR MR. BOGGS: Since Hurricane Betsy struck 22 parishes in Louisiana, the American National Red Cross has carried on extensive relief efforts and I want to assure you that these efforts will continue until all of the hurricane victims who need Red Cross assistance in recovering from the storm get the help they require.

Immediately upon returning to Washington from our survey of the hurricane-stricken area, I ordered the assignment of additional Red Cross staff to Louisiana and the other affected States. At this time, there are more than 200 Red Cross disaster staff working with some 10,000 local Red Cross chapter volunteers to provide emergency assistance to the hurricane victims. Swift actions are being taken for the much bigger task of providing long-term recovery aid to those whose resources are not sufficient to meet the needs created by Hurricane Betsy.

Latest Red Cross survey figures show, 1,029 homes destroyed, 26,353 with major damage, and 133,115 with minor damage. Also, 680 mobile home were destroyed and 1,147 sustained heavy damage. In addition, the hurricane destroyed 404 farm buildings and heavily damaged 1,232 others. Almost 2,100 small businesses and 1,147 boats were destroyed or damaged. All told, approximately 165,000 families, most of them Louisianians in the lower and middle income groups, were affected by the storm. We estimate that approximately 12,000 families will need additional help from the Red Cross over and beyond emergency assistance with food, clothing, shelter, and medical care, and that total Red Cross relief expenditures will be in the neighborhood of \$5 million.

At the height of the hurricane emergency, 70,000 storm victims were cared for in 272 Red Cross shelters in Louisiana, Mississippi, Alabama, and Florida. Yesterday, as many people returned home or took refuge with friends or relatives, it was possible to close the shelters in New Orleans public schools, but large shelter operations are still being conducted by the Red Cross at Belle Chasse, in Plaquemines Parish, where 3,500 persons were housed last night, and

in four shelters at large military installations in or near New Orleans, where 18,000 homeless victims are being housed under Red Cross supervision. We have had excellent support from the military, which has provided facilities in barracks on these installations and has flown in feeding kitchens and personnel, cots and blankets, food and medical supplies. The Department of Agriculture has made surplus foods available to the Red Cross. The U.S. Public Health Service also has provided cots and blankets. As is usual and provided for under military regulations AR 500-60, the costs of the military will be borne by the Red Cross.

Red Cross staff is also working closely with appropriate Federal, State and local officials in connection with possible evacuations which might result during the salvage of the lost chlorine tanks near Baton Rouge. You will recall that the Red Cross was extensively involved in a similar operation in the Natchez-Vidalia area in 1962.

As additional Red Cross staff are rushed into Louisiana, the bigger task of assisting in the recovery of the disaster victims is beginning. The enclosed leaflet, "In the Wake of Disaster," will give you a comprehensive picture of how the Red Cross disaster program functions and will help you answer any questions which your constituents may have concerning Red Cross disaster assistance.

As you know, the rehabilitation work of the Red Cross in disaster relief is in itself a most difficult and costly role. On an average some 80 percent of our disaster funds are spent in helping individuals and families after the emergency is over. Red Cross aid for these disaster victims may include provision of food, clothing, shelter, medical and nursing care, provision of essential household furnishings, assistance in repair and rebuilding of owner occupied homes, and needed occupational supplies and equipment for those lacking sufficient resources for their own recovery. All such assistance, developed on an individual family casework basis, is an outright gift, paid for through the voluntary contributions of the American people through Red Cross and United Fund drives.

I will continue to keep you informed of the progress of Red Cross hurricane relief efforts in Louisiana.

Sincerely,

JAMES F. COLLINS,
General, U.S. Army, (retired).

Mr. HOWARD. Might I make a recommendation? I again want to commend Congressman Boggs and other members of the Louisiana delegation for the tremendously informative effort they have made, both here and in Washington before we came here. They made our task a great deal easier by the presentation they provided.

One experience I had in a disaster involving Mississippi earlier this year, and I reexpress my gratitude to this subcommittee for what they did there, was that in the submission of testimony, a very wise recommendation that was made by another member of our committee at that time, which I would like to repeat here for the benefit of those witnesses that have presented material and those that may make it later, is that because of the magnitude of any particular disaster, it is sometimes impossible immediately to assess the widespread nature of damage; and I believe it is the policy of this committee to leave the record open for a reasonable length of time for the submission of evidence that is disclosed on closer investigation; and I would like to suggest that all of you avail yourselves of that, as you discover new damages that are not immediately apparent to you.

Mr. JONES. I would like to announce at the moment that the record will be held open for a 5-day period. If we feel that substantial evidence can be still forthcoming, we will extend the time.

Mr. GRAY. Before yielding to any other member, the Office of Emergency Planning has worked up accumulative facts on the Federal agency relief activities in the area; and without objection, we will put it in the record at this point.

(The material follows:)

OFFICE OF EMERGENCY PLANNING,
EXECUTIVE OFFICE OF THE PRESIDENT,
September 24, 1965.

FEDERAL SUMMARY REPORT, HURRICANE BETSY

THE LATEST CUMULATIVE FACTS ON FEDERAL AGENCY RELIEF ACTIVITIES

4th Army

Military personnel-----	812	Listerbags-----	36
Civilian personnel-----	10	Ice chest (200 pounds)-----	35
Cost of rations-----	\$48,848	1/2-ton trucks-----	3
Blankets-----	21,530	5-ton dump trucks-----	12
Cots-----	3,815	3/4-ton trucks-----	18
Mattresses-----	4,766	3/4-ton trailers-----	17
Mattresses, air-----	2,235	Sedans-----	16
Mattress covers-----	90	Gas trucks-----	2
Sheets-----	12,100	Water trucks-----	10
Pillows-----	50	Reefers-----	13
Pillow cases-----	50	Generators-----	41
Pouches (human remains)-----	10	An/grc 46 radios-----	10
Litters-----	284	An/grc 26 radio-----	1
5-ton tractors-----	15	An/trc 10-----	8
12-ton vans-----	29	Mars station-----	1
12-ton trailers-----	25	Shower units-----	8
HC-16 dozers-----	2	Medical supply set-----	1
Semitrailers-----	2	Dispensary set-----	1
Front loader-----	1	Erdolator-----	1
Semitrailers (low boy)-----	2	Engineer shop set-----	1
5-ton wreckers-----	4	Field kitchens-----	25
Air compressor, mounted-----	1	Tents (gp)-----	8
2 1/2-ton trucks-----	61	Protective masks-----	117,500
1 1/2-ton trucks-----	2	Helicopters:	
1 1/2-ton trailers-----	61	OH-13-----	1
3/4-ton ambulances-----	7	UN-19-----	3
3/4-ton trucks-----	19	U-6-----	2
3/4-ton trailers-----	18	U-8-----	1
5-ton van-----	1	CH-34-----	3
An/pr 6-----	15	UH-1-----	1

Estimated cost incident to disaster relief operations, 4th Army, \$275,000.

Small Business Administration

Inquiries received-----	6,640
Applications sent out-----	5,369
Home loan applications received, 733 for-----	\$3,264,482
Business loan applications received, 127 for-----	\$4,943,344
Home loans approved, 78 for-----	\$143,100
Business loans approved, 1 for-----	\$1,800
Disbursements of homes in New Orleans only:	
16 homes for-----	\$28,700
1 business for-----	\$1,800
People working here in field for SBA-----	152

Seven offices here have delegate authority and there are 10 suboffices.

U.S. Navy, 8th Naval District

Number of personnel-----	1, 750
Extra cost for relief operations-----	\$70, 000
Maximum relief population on any one day-----	11, 000
Present population-----	1, 574
Navy Medical Support :	
Refugees getting medical attention-----	3, 181
Number treated as inpatients (Algiers)-----	181
Number treated against typhoid and tetanus-----	4, 000
Navy Aircraft :	
Refugees rescued by Navy helicopters-----	899
Number of helicopters involved-----	9
Number of cargo craft used-----	5

Navy made 203 flights into New Orleans bringing supplies.

Navy support in search of chlorine barge :	
Aircraft employed-----	2
Ships in search, destroyer-----	2
Ship en route when barge was found, minesweepers-----	2
Navy divers-----	30
Total personnel used for barge-----	350

Voluntary services by Navy wives and families

Opened nursery which took care of 250 babies manned by 69 wives.
 Reunited people in 80 families.
 Donated and distributed clothing, bed linens and other items.
 Eight wives manned the chaplains telephone and received 5,000 calls.
 Wives also volunteered for clerical and gray lady services.

American Red Cross

The magnitude of Hurricane Betsy's destruction in Louisiana and other Gulf States will rank it forever as one of the most destructive hurricanes experienced.

Red Cross surveys of damage now show 1,233 homes destroyed; 26,969 with major damage; 134,617 minor damage. House trailers destroyed total more than 700 with more than 1,100 suffering major damage. Surveys also show more than 1,700 farm buildings destroyed and with major damage. More than 2,000 small businesses are reported destroyed or with major damage and more than 1,200 commercial and pleasure boats destroyed. At the peak of the operations an estimated 70,000 victims were housed and fed with need of clothes, food and medical assistance.

Seven shelters remain open today housing 2,511 evacuees; 6 mobile units yesterday fed 4,341; 18,266 families received bulk Red Cross food and commodities to date; 19,250 families have registered for Red Cross assistance; estimated Red Cross expenses to date over \$1,400,000; number of Red Cross volunteers, 15,000; staff assigned, 510.

U.S. Department of Agriculture—Consumer and marketing service food distribution to Louisiana

Commodity	Total pounds	Total value
Dry milk-----	312, 768	\$60, 208
Lard-----	312, 264	47, 547
Cornmeal-----	230, 000	12, 903
Flour-----	741, 000	57, 258
Rolled wheat-----	50, 004	4, 125
Canned beef-----	1, 012, 028	488, 426
Frozen beef-----	6, 313	3, 963
Rice-----	545, 536	62, 901
Butter-----	138, 720	87, 880
Dry beans-----	244, 848	24, 509
Peanut Butter-----	623, 760	183, 198
Cheese-----	630, 450	263, 213
Grits-----	100, 032	7, 032
Margarine-----	1, 200	189
Grand total-----	4, 948, 923	1, 330, 352

Washington level there were six FDD personnel and six ASCS personnel working on Hurricane Betsy.

Area level, there were eight FDD personnel in Dallas office and eight FDD personnel in New Orleans and Baton Rouge.

U.S. Coast Guard

Personnel utilized for Hurricane Betsy:

Officers.....	145
Enlisted men.....	8,040
Civilians.....	75

Total cost was \$1,050,000.

Lost 2 vessels (each).....	\$60,000
Loss of these two and repairs to others.....	229,000
Loss of electronic gear.....	25,000
Loss of electronic shore and aids to navigation, buoys, lights, towers.....	485,000
Aircraft and helicopter cost of repair.....	278,000
Cost of travel during operations.....	10,000
Cost of fuel for ground, sea, and air.....	23,000

General Services Administration

GSA in the New Orleans-Baton Rouge area has funded in excess of \$200,000. For permanent repairs. For emergency materials, \$14,000; for emergency labor cost, \$16,000.

Expended entire motor pool of 385 vehicles and brought in another 175 cars and trucks.

Furnished 15 generators to local communities.

Furnished all facilities for emergency disaster offices of OEP, SBSA, and SBA disbursing office and communications for each.

Total GSA personnel of 182 plus 20 employees brought in from other regions worked 100 percent on Betsy from Thursday, September 9, till Monday, September 20.

HHFA

Over 450 displaced families have been relocated into HHFA housing in New Orleans. About 20 families are being rehoused in low-rent public housing each day. Twenty-four CFA and State engineering teams have made inspections on 145 school systems in the disaster area. In addition 180 public buildings have also been inspected. All schools in the area with major damage will be inspected within a week.

Temporary housing for displaced families is being provided by GSA. The first units will be arriving Saturday, September 25, in the morning.

HHFA expenditures to date related to the disaster amount to \$25,000.

Fifty HHFA personnel are working full time helping overcome the disaster.

Bureau of Public Roads

On the morning of September 13, five teams of engineers were organized and briefing sessions were held in anticipation of receiving requests from OEP for inspection services by the Bureau of Public Roads.

On September 14, the five teams each consisting of one engineer from the department of highways and one from local highway personnel started inspecting damages on the Federal highway system and State highway system.

On September 16, the first schedule of requests were received from OEP outlining the areas which required inspection.

On September 20, two additional teams were formed and started out inspecting one of which was assigned the inspection of damage on construction projects in progress. To date, inspection of all Federal and State highways have been completed in 34 parishes, leaving incomplete only the following: Orleans, Plaquemines, and St. Bernard.

Of the requests for inspection other than on the Federal and State highways inspections are complete except in the following parishes: Jefferson, LaFourche, Orleans, St. Bernard, St. Charles, St. James, St. John, Terrebonne, and East Baton Rouge. Bureau public engineers on September 23 were available to inspect East Baton Rouge Parish but were requested to defer such inspection until a later date.

Due to completion of work in other districts one team on September 23 was moved into Jefferson, St. Bernard, and Orleans Parishes and in addition one team on September 23 was moved into Terrebonne and LaFourche.

On September 24, an additional team started out to St. James, St. John, and St. Charles Parishes. This brings teams in the New Orleans area to a total of four and they hope all inspection work required will be completed by Friday, October 1.

Report writing is being reduced to a minimum by using a Xerox machine, making copies from pencil reports made in the field. This speeds up operations over that of previous years. To perform this work, five engineers of the division office and one engineer from Arkansas have been relieved of all other duties as of September 17. The services of an equivalent of one man full time have been assigned to the coordination of activities of the Bureau of Public Roads as they pertain to Hurricane Betsy.

Cost on all roads on the Federal aid system except those in State district 2 is \$260,000 to remove debris and repair signs. In the same parishes damages to State roads off highway system eligible under Public Law 875 is \$32,500 (this doesn't include district 2).

Parish roads and city streets not on Federal aid or State system which are eligible for Public Law 875 will be small.

Department of Welfare

They employed approximately \$1,500 in supplies, drugs, food, etc., answering nine calls for supplies. Their staff was sent to 28 different locations in the area representing 61 doctors and 10 other commissioned officers consisting of dietitians, social workers, dentists, etc., for a total of 71 commissioned officers. In addition they sent five civil service employees out into the community.

Cost for salaries for time spent approximately \$15,000.

They screened 38,000 refugees. Treated 5,200 refugees and referred 150 refugees to the hospital for further treatment.

They also assigned medical service to the Algiers Naval Station around the clock. Plus 4 dentists to the coroners office who charted teeth on 23 unknown bodies.

The Public Service hospital admitted 50 for treatment and 226 persons as outpatients.

The wives club collected and distributed more than 5,000 items of clothing to the refugees.

They (Department of Welfare) also ran the Public Health Service quarantine refugees station for evacuees from September 12 to September 19. Officially 421 refugees were admitted. At this center there were 19 civil service people working. This represents approximately \$6,500 in labor and about \$300 in supplies. Estimated hours of labor about 750 at the quarantine station and about 3,000 at the hospital.

Finally, they have a doctor assigned full time to Baton Rouge at the chlorine barge site.

This makes a total of 72 commissioned officers and 26 civil service people.

Veterans' Administration—Recap of station activities, September 18-23

I. Contacts, Day	Total	Contact	Loan Guaranty
Saturday, Sept. 18.....	103	93	10
Monday, Sept. 20.....	166	86	1 80
Tuesday, Sept. 21.....	135	70	65 (4)
Wednesday, Sept. 22.....	99	38	61 (7)
Thursday, Sept. 23.....	87	40	47 (5)
Total.....	590	327	263

¹ Represents contacts at Baton Rouge which are included in the total for loan guaranty.

II. Staffing ¹	Total	New Orleans	Baton Rouge
Contact.....	7	7	-----
Loan guaranty (contacts).....	5	4	1
Loan guaranty (travel).....	5	5	-----

¹ Personnel devoting and/or available full time for duties resulting from hurricane damage and/or inquiries.

Mr. HOWARD. Mr. Boggs, I would like to touch on one point that you went over and made your comment; it was concerning the private schools in the area. I believe that this area is somewhat unique in that fully 40 percent of the student body exists in private schools in the area and, although they are handled privately, they certainly have a public impact in that every student who is in a private school is not a burden on the taxpayers of the community; and since there was such extensive damage in the education area, and such a great percentage of the student body are in private schools, if these private schools are unable to continue, even for this area, and any great numbers of them should necessarily be moved over to the public schools, would this not become then a public problem? In other words, you separated the public problem from the private problems. Isn't this in one sense a public problem?

Mr. BOGGS. Well, the problem confronting the public schools in Orleans is so acute that they have had to beg and borrow property from everywhere, including the Federal Government. The old post office building and other structures have been made temporarily available for them, so that if you had a transfer of all of these youngsters from out of private education, both religious and otherwise, you would have a totally impossible situation.

Mr. HOWARD. This is something that would have to be considered by public school officials?

Mr. BOGGS. Yes, this is very critical right at the moment as far as we are concerned because the House passed a bill which provided disaster relief for public schools but doesn't for the others.

Mr. HOWARD. Thank you, Mr. Chairman.

Mr. MORRISON. Mr. Chairman, I want to commend my colleague, Congressman Boggs, for a very, extremely informative summary of the entire hurricane catastrophe that has hit this city and State; and I want to join with him; my particular feeling, as far as the private schools and public schools are concerned, and also the universities; I think the universities, the private universities of this city have certainly contributed tremendously to our State and the United States, as far as that's concerned, in so many respects and I think that certainly perhaps there is no more important matter that this committee could certainly try to work out than to work out a program that not only would take care of the private schools—I mean the public schools, but likewise, the private schools, and also the universities, and you might say all the educational institutions and facilities in this particular area and any other area that was damaged. I certainly want to commend the gentleman for a very excellent presentation and summary, and commend him for the tremendous and energetic way that he has put forth all of his efforts since this disastrous hurricane has hit. I have worked with him on many problems that we held in common as far as his district and my district is concerned; and I certainly have a great deal of respect and admiration for Congressman Boggs and for the tremendous amount of effort that he has put forth to try to help our State in this very serious catastrophe. Thank you.

Mr. GRAY. Thank you, Mr. Morrison. Before moving on to the next witness, I too want to associate myself with the remarks made by our distinguished chairman, Mr. Jones, and my colleagues, naming you, Mr. Boggs, for the outstanding work you have done in Washington and for your very enlightening statements here today.

It's a pleasure for the chairman to now recognize one of our outstanding Members of the Congress, subcommittee chairman on the very important Committee on Armed Services of the House of Representatives, and your own Representative, Eddie Hébert, from the First Congressional District.

Mr. HÉBERT. Thank you very much, Mr. Chairman. I shall not take up the time of this committee by repeating what my colleagues from Louisiana have said. I think that after Hale finished his résumé, which would have been the résumé of the members of the delegation, I can only say "Amen" to that and associate myself with the résumé and include the efforts that were made and extend them to my own district, which is the hardest hit in the State, the first district, which includes lower New Orleans, St. Bernard, and Plaquemines Parishes. You are not interested in my personal position at the time of the storm, the hurricane, but I will tell you I was up in Ed Willis' district hiding behind some glass doors on Bayou Teche, and I had to sweat the hurricane out there, and could not get communications in, much less travel in. However, at that time, and I repeat what I said now, what I said then, the time for the real effort is after the full assessment of evaluation of the damage caused by the hurricane has been made and then to find out exactly what we can do about it. Now, there is no doubt that every effort was made and every performance done in superb style under the laws existing.

My particular concern has not been with what is under the law and what will be done, but what can be done in the future, and I am glad to hear Hale echo some of the concern that I originally expressed as far as the individuals were concerned. These are the people who ought to know when they are going to get help and how they are going to get it; and these are the people that I am certainly interested in as everybody else on this committee by its very presence here. Now, I certainly do agree that this has presented a forum for generalization, a forum of general discussion. I detected a misunderstanding of my original remarks here this morning about jurisdiction of the committee. Now, that is something I consider very important. This committee has certain jurisdiction and, it's indicated, has wide jurisdiction. It's also been indicated here by Congressman Morrison that agriculture has something to do with it. Well, this is the time I suggest and submit to you is the time to find out exactly where do we go for the answer. Now, the generalization here has been excellent; it has been fine; the Governor made a magnificent presentation. My colleague, Hale Boggs, has summarized also in a magnificent fashion of what is to be done or what has been done; but now here, I express my deepest appreciation to Bob Jones for bringing this committee in here, to all the members of the delegation that every member of the delegation has been vitally interested; Joe Waggoner would have been here today; he couldn't come, yet he is way north in Louisiana, which was not even hit by this disaster. Speedy Long came in with us yesterday and immediately went up to his district where the hurricane petered out. So, every individual member of the delegation has swung to and has done everything that could possibly be done in the House delegation and the Members of the Senate. They have been doing what they were expected to do, and which they have performed in the manner in which it was expected of them.

Now, however, let us look forward to what can be done, and in this forum this morning to channel into the proper direction that which effective relief can be gained, and in that, in just a few moments now, let me say of specifics as an example, one governmental agency I am sure not overlooked by intention, which is the General Services Administration. I can give you now specifics about how this operation can work if you go through the proper place and know where to go. The General Services Administration under Mr. Gay, the direction by Mr. Hughes down here, have done a magnificent job on a local level. Now, specifically, I got a call from the mayor the other day, and I got a call from Louis Reicke, who is the president of the Orleans Parish School Board; they had in mind to get the Federal post office here. It wasn't but a matter of seconds that I picked up the telephone and called Lawson Knot, the Director of the General Services Administration, and within minutes, Mr. Knot had gone to work; he coordinated his efforts with the Office of Emergency Planning where it should have gone, and within less than 24 hours I was able to say that we had the post office building here for the school, and not only the post office building, but laid the plans for the future, for the barracks at the Algiers Naval Station here which has been declared surplus property and under the jurisdiction of the General Services Administration, and also asked the General Services Administration to look into other areas, particularly one case, the old mint which has been much in the news, which could possibly be used. Mr. Reicke was informed of that, and within less than 24 hours of the time that I made the original request of Lawson Knot. Now, this is a specific instance of what I am talking about. Now, in the area of individuals, we admit frankly that we cannot give Government grants under present law to these disaster victims as individuals.

Now, it's all well and good, and all fine; the Government has done a splendid job; but that fellow who hasn't got that roof over his head and looks around and sees he has lost his whole life's work, his furniture, his home, and his belongings, he is inclined to think that when the Government agencies go into operation, they go into operation to help him individually. Of course, he is helped individually in a way that he doesn't know, that he doesn't really recognize. He has police protection of the community; he has fire protection of the community. This affects him individually, of course; but he is worried about that empty stomach he has got; he is worried about those little naked children who lost all their clothes; he is worried about the future of his family; and this is the thing that I insist that we take into consideration in this manner, and I feel very well that Hale has expressed the indication that under existing law which would be under this committee, if that is possible, of course we want to do everything we can; but I do think that with these fine hearings and these splendid pieces of testimony we have had that we cannot do a disservice to the individual to think that here, Washington has come down here and is going to solve the case of an individual, which you know he is not. The Small Business Administration under Mr. Galloway down here, I think, has done an outstanding job. Every Government agency has really functioned. I didn't intend to be redundant or emphasize what Hale and Jimmy have said and Ed Willis, but I am compelled to in expressing myself here now. I think here, let's look to the future,

don't worry what was done yesterday; it was a good job, but a bigger job is in front of us, Mr. Chairman, and I submit to you that this has been most helpful, and to my good friend, Mr. Jones, from Alabama, I too express my appreciation for coming down here and giving the opportunity for this small group, Members of Congress, which when it goes back to Washington will be like dropping a pebble in the pool, and the ripples will spread out and the other Members will know. But if any other legislation is necessary beyond the jurisdiction of the committee it is my sincere hope, and I know I will have the full cooperation of the majority leader in the position he holds to get other committees to come in here and other committees to see for themselves and other committees to hear for themselves exactly what we need for the future. Thank you, Mr. Chairman.

Mr. GRAY. Thank you very much, Mr. Hébert, for a very forthright and enlightening statement. Are there any questions or comments on my right? On my left?

Mr. MORRISON. I would like to associate myself with the views expressed by Mr. Hébert in many respects, but I do think that there is something that can be done for these people who have suffered an individual loss, and I brought out the fact a few minutes ago that maybe talk about hurricane insurance or disaster insurance, that it might be possible to bring to pass legislation, and I am sure this committee will give it every possible thought as to the best way of doing it, but it might be possible to work out an insurance program for the future and at the same time have retroactive provisions that would take care of these individuals who have lost everything. I think there is no doubt that every member of this committee, every Member of Congress, every person here, would like to see every individual who is in direct loss and suffered damages to their home, their property and in so many ways certainly a program worked out to help those people in every way, and I think that that is frankly one of the purposes of this committee in coming down here to hear the views, to see a firsthand sight or just exactly what happened to these individual homes, and they certainly got that view in this helicopter trip when they first landed here, because you could see all these homes; some of them had 4 feet of water in them, some of them had as much as 8 feet of water in them, and all their earthly possessions were stacked out right in front of their homes, on the front of the homes, and in the streets. I think it's a very serious catastrophe and certainly serious enough and of a nature of a catastrophe that certainly the Federal Government with many committees in Congress will have either this committee or the necessary committee do whatever is necessary to help those people.

Mr. GRAY. Thank you, Mr. Morrison.

There are three gentlemen here who represent organizations that have done a Trojan job in this disaster. I would want to call their names and have them stand at least; if they would like to make any comment, the committee will be glad to hear from them. They are Lt. Gen. R. W. Colglazer, Jr., Commanding General, Headquarters, 4th U.S. Army, Fort Sam Houston, Tex. General?

STATEMENT OF LT. GEN. R. W. COLGLAZER, 4TH U.S. ARMY,
FORT SAM HOUSTON, TEX.

General COLGLAZER. Mr. Chairman, members of the committee, I don't feel I should take any of your time since the Corps of Engineers are really the proper people of the Armed Forces to pick up with your particular reference——

Mr. GRAY. We appreciate the part you played though, General.

Mr. BOGGS. Let me interrupt you to say that I saw what you did here right after this thing struck, including feeding all those people, bringing all those rations in here, flying them in here; and I think it was a wonderful job.

General COLGLAZER. Thank you very much, Mr. Boggs. I would just like to take one moment——

Mr. GRAY. You may proceed, General.

General COLGLAZER. I am sure you gentlemen would expect your Armed Forces to be ready to meet any kind of situation. This is what we are supposed to do. Under our organization, we do respond to the immediate problem. As an Army commander, it is my job to coordinate the work of all the armed services in the area. I want to tell you, gentlemen, that your armed services did cooperate; I found perfect support from the Navy, from the Air Force, from the Coast Guard; it was truly a cooperative effort. We feel now that our relief job has been done; it's up to us now to work ourselves out of the job because there are other agencies who have to continue with the work that is required at this time. I do thank you for the opportunity of being with you.

Mr. GRAY. Thank you very much, General Colglazer. We have Rear Adm. J. D. Craik, Commander, 8th Coast Guard District, New Orleans. Admiral, we are delighted to have you, and appreciate very much your good work.

STATEMENT OF REAR ADM. J. D. CRAIK, 8TH COAST GUARD
DISTRICT, NEW ORLEANS

Admiral CRAIK. Thank you, Mr. Chairman. I would like to say, sir, that without the cooperation of our brother services, without the cooperation of the other agencies that helped, we couldn't do as good a job as we did. We appreciate their cooperation.

Mr. GRAY. Thank you. They demoted you here on this list, Admiral. Rear Adm. C. H. Lyman, Commandant 8th Naval District, New Orleans, La.

STATEMENT OF REAR ADM. C. H. LYMAN, 8TH NAVAL DISTRICT,
NEW ORLEANS

Admiral LYMAN. Happy to do what we could.

Mr. GRAY. Thank you very much. We need a few more speakers like that in Washington.

We thank all of you for waiting so long, general and the two admirals; we deeply appreciate your patience in waiting this morning. We thank all of the witnesses who are going to follow now for being so patient. As I mentioned just now, the politicians seemed

to have been, as they used to say back in the country, "vaccinated with a phonograph needle," and sometimes we talk too long. The mayor sitting over there on mayor's row, we want to thank you very much for being patient.

The first mayor we are going to call is Victor Schiro, your own mayor here from New Orleans—that's the Southern Illinois pronunciation of it, mayor.

STATEMENT OF MAYOR VICTOR SCHIRO, OF NEW ORLEANS

Mayor SCHIRO. Thank you, Mr. Chairman. Distinguished congressional Committee on Public Works, I believe I speak for all of us here when I say how grateful we are for your delegation being with us today to review the situation in New Orleans following the disaster of Hurricane Betsy.

This storm, the greatest in the history of our city, left us a partially and temporarily disabled city. We have done a great deal of work here in the last week or so. We are determined to rebuild and move ahead. Our people have shown that they have spirit and that they have and are strong enough to withstand any of this stress; but gentlemen, we need your help. We hope that you will hear with favor the reports of the agencies charged with the protection of our city. You heard some, and you will hear some later. We are all represented in this group.

The violence which struck that night, 16 days ago, was awesome. Winds 125 miles to 175 miles an hour blasted us, and a surge of tidal water flooded our land. The death toll was tragic. Thank God it was not greater, it could have been a lot more.

The property damage runs over a half a billion dollars in our area right here. I would be remiss in my duty if I did not acknowledge the support and cooperation of these agencies during this emergency and for the great work in helping to pick up the pieces in the posthurricane period. They worked around the clock caring for displaced people, providing food and medicine, repairing damaged facilities. They have been a tremendous force in solving the many problems that followed this hurricane. I want you to know that all of these agencies are still involved in cleaning up, reconstruction and repair operations. However, this hearing today affords us the opportunity to begin to assess and measure our damages. I want to acknowledge too, the fine cooperation of our citizens in our time of need; neighbor helped neighbor and stranger alike. They opened and shared their homes and food to those less fortunate.

Gentlemen, I am proud, very proud, of the fine people of this city. Their spirit and courage should be an inspiration for all of us throughout the country. Knowledge comes from experience, even an experience such as Betsy. It is my hope that the several agencies that are responsible for alerts, shelter, provisions, data, levee protection and various other duties in a time of emergency and disaster have reviewed their capabilities and their needs, if any, in order to better the protection of our people and their property.

This storm, my friends, has focused attention on a very serious problem because many of our people have worked years to acquire the homes and other personal possessions, and in just one night, they

were completely wiped out, ruined. The tragedy lies in the fact that these losses were not covered by insurance. To whom do the people turn? They have no furniture, no homes, and in most cases they still have a mortgage. It was encouraging this morning to hear the gentlemen of the committee think and talk about assistance for these people, to solve this one problem. We did it in the bank crisis when the country needed help, when financial institutions were folding all over the country, we put a \$10,000 guarantee. Now, why can't we do it in the most important possessions we have, our homes, and in some cases, retired people with a small pension, no ability to raise or get money or to borrow money, and no ability to pay it back; but all they have in the world is in this little home. Today, they have nothing. This is where we can do some good; this is where we can really be good Americans. We must find a way to help these people, and I will not rest until every area of possible relief has been explored to help them; and besides all of these deeds that are before us, I want to impress upon this delegation today, the need for hurricane, for flood protection, which has been recommended by the U.S. Engineers, that you use all your energies and your power and your abilities to put this plan into operation as soon as possible now before this happens again.

I would like to make one little statement, and this is in the technical field, and I am not a technician; but the U.S. Engineers stated here about an 8-foot tide. We have an 8-foot tide plus a Cairo datum of 6-foot level below the level of the gulf, which means 8 and 6 are 14 feet in some cases that we were thinking about, and not the level of the Gulf of Mexico. I just wanted to bring that out so we know what we are talking about.

If there are any questions, I will be most happy to try to answer them.

Mr. GRAY. Any questions on my right of Mayor Schiro? On my left? Thank you very much, Mayor.

Mr. BOGGS. Mayor, you have had the full cooperation from the Federal and State people have you not?

Mayor SCHIRO. I am glad you asked that question, but I don't want to take up any more time, because we have already consumed a lot of important peoples' time; but from the time the President of the United States came to see us and was greatly concerned with the gravity of our situation, and we had the opportunity to take him out in a flooded area and into the shelters where people were jammed up together on cold floors and unable at that time because of the immediate disaster to get them taken care of. I might say as of now, they have been well taken care of through the Red Cross and the agencies that are in charge of this function. The President said, "We are going to pull out all the stops to help you, Mr. Mayor," and he says, "Everything is at your disposal," and believe me, he meant every word of it.

I directed this operation from city hall, and during that whole time up till this very moment, we have not been denied one request, whether it be a hundred trucks additional or whether it be any function that the Federal Government could participate in and help us. I want to say we are very grateful to our National Government for this great assistance; and we certainly are very grateful and proud on a local basis for the cooperation we have received here. Thank you very much. Any other questions?

Mr. GRAY. Thank you very much, Mayor.

The Chair would like to call as the next witness, Mr. Valentine Riess, president of the Police Jury of St. Bernard Parish.

Mr. RIESS. Sheriff Rowley will be first.

Mr. GRAY. You are yielding to him?

Mr. RIESS. I will come after him.

Mr. GRAY. Sheriff Jack Rowley, St. Bernard Parish, First District.

STATEMENT BY JACK ROWLEY, SHERIFF OF ST. BERNARD PARISH

Mr. ROWLEY. Thank you, Mr. Chairman. Members of the committee, on Thursday evening, September 9, the Parish of St. Bernard was struck by its greatest natural disaster. From Arabi to Delacroix Island, from Chalmette to Shell Beach, Hurricane Betsy struck our parish with winds exceeding 125 miles per hour. During the following 24 hours, St. Bernard was virtually isolated, without electricity, without water, without telephone, without highway transportation. Early Friday morning brought greater disaster. Shortly after 1 a.m., the hurricane tidal waters swiftly flooded the part of St. Bernard Parish adjoining New Orleans, then spread into Arabi Park, St. Claude Heights, Carolyn Park, Chalmette Vista, Versailles Subdivision, making it one gigantic sea of destruction and devastation. The more exposed exterior of the parish, Delacroix Island, Reggio, Yscloskey, Shell Beach, Florrisant, Hopedale were flooded to greater extents. Severe winds tore hundreds of homes from their foundations, casting them miles into the swamps. The waters reached depths of 10 feet in Arabi, 8 feet in Chalmette. Over 5,000 homes, possessions, and personal property of their 20,000 occupants, the product of a lifetime of work, lay submerged in this black, stinking sea.

Preliminary estimates indicate that 500 homes were completely destroyed; 6,000 suffered major damage; 4,000 minor damage; 100 trailers were completely destroyed; 15,000 people now remain temporarily homeless; 4,000 are permanently homeless; 600 boats broke their moorings and were helplessly dry in the swamps; more than 7,000 automobiles and hundreds of trucks were flooded over their tops, completely destroyed. Public and private schools, churches, fire stations, library, fire engines, and all types of public facilities received extensive damage. Many miles of hard-surfaced streets, gravel roads, street lights, sewers, subsurface drainage and water mains are badly damaged. It is most difficult to offer a figure of total amount of damage to property in St. Bernard Parish. A safe guess would be in excess of a hundred million dollars.

Mr. GRAY. In your own parish?

Mr. ROWLEY. Yes, sir; 45,000 people.

On behalf of all St. Bernardians, I would like to thank the U.S. Government, this committee, and the American Red Cross, the State of Louisiana and all related agencies and thousands of people far and near who have worked so well together affording relief and emergency aid.

Just 15 days ago, St. Bernard was a vibrant, growing community enjoying prosperity unparalleled in its history. The will of these people to rebuild St. Bernard Parish is strong. We must have a rebuilding program, a program that must not allow recurrence of de-

vastating Betsies, a program that would give us a permanent solution to this age-old problem, a program that must be jointly sponsored by the Federal, State and local officials, a program that would include these low-lying sections that are not afforded hurricane protection, will not be afforded hurricane protection under the Engineer's programs.

I thank this committee for coming today; I thank you for this opportunity for appearing.

Mr. GRAY. Thank you very much, Sheriff Rowley, for your very enlightening testimony.

Now, the Chair would call Valentine Riess, who is president of the Police Jury in St. Bernard Parish.

STATEMENT OF VALENTINE RIESS, ST. BERNARD PARISH

Mr. RIESS. Thank you, Mr. Chairman. I would first like to add my concurrence to Sheriff Rowley's remarks, and also to add a special word of thanks to our local civil defense team and to many citizens of our parish who all worked together during the long hours in rescue and evacuation. To all of them, congratulations of a job well done. For through this long ordeal, we in St. Bernard have come through without loss of life.

We must now evaluate the problem we have and seek a solution. Most of the residential area of St. Bernard is protected by a system of levees along the Mississippi River from Arabi to Plaquemines-St. Bernard Parish line at Caernervon, and back levees from Orleans-St. Bernard Parish line to Arabi through Chalmette, Meraux, Violet, St. Bernard to Verret. These back levees have an elevation of about 8 to 12 feet mean sea level.

On Thursday and Friday, September 9 and 10, Hurricane Betsy funneled the tidal wave waters into the Industrial Canal Basin, flooding lower New Orleans and upper St. Bernard. The back levees in Orleans Parish and upper St. Bernard were topped by the 20- or 26-foot tidal wave. The back levees from Chalmette to Veret were not topped. This would indicate to even the most disinterested observer that there must have been some cause for the funneling of the tidal waters into lower Orleans and upper St. Bernard, while not topping the back levees in lower St. Bernard. St. Bernard Parish public officials as well as the citizens of our parish, consider it our first importance that the Federal Government, and in particular the U.S. Corps of Engineers give top priority and immediate action to the construction of hurricane protection levees along the Mississippi River-gulf outlet. We, in St. Bernard, are now ready, willing, and able to contribute the local 30-percent contribution called for by the Federal Government for the proposed hurricane protection project, without delay. The citizens of our community, at a special taxpayers election held September 22, 1964, approved a program of the St. Bernard Parish Police Jury, our local governing authority, to provide our contributions. Since that day, we have been and we are now in a position to finance our local share. We feel sure that our adjoining neighbor, Orleans, and in particular, the Orleans Levee District, was in a position to finance the 30-percent local interest contribution required of Orleans Parish for the construction of the continuous hurricane protection

levee along the Mississippi River-gulf outlet within Orleans Parish to connect with the St. Bernard project. We now urge the Federal Government to provide without delay the 70-percent Federal contribution to this very necessary project. Thank you, gentlemen, for the time given.

Mr. GRAY. Thank you, Mr. Riess, for a very forthright statement.

Mr. HÉBERT. Mr. Chairman, may I just briefly say to the gentlemen, Mr. Riess and to Sheriff Rowley of St. Bernard, so heavily struck and not a fatality, not a death in the parish as I understand it; is that correct?

Mr. RIESS. That's right.

Mr. HÉBERT. There was not a death in spite of this; and the statement made by Mr. Riess now indicates exactly the attitude of Sheriff Rowley and the people of St. Bernard Parish in now saying to the Federal Government, "We have the money; we will match what you want; let's get ahead with the job"; and I think that you heard the testimony of the Engineers this morning, and you can rest assured that the job will go ahead quickly, and I am very happy that the people of St. Bernard were able to come here this morning.

Mr. GRAY. Thank you.

Mr. RIESS. Thank you.

Mr. HÉBERT. May I say, Mr. Chairman, that Judge Perez asked me to express his regrets he personally could not be here. At the moment, he is down in the parish, and he also wants you to know that he is in special charge of the recovery program down there, otherwise he would have been here; he asked me to submit this statement for the record, and I will ask permission of the Chair to submit it as though Judge Perez gives it at this point.

Mr. GRAY. Without objection, so ordered.

(Statement of Mr. Perez follows:)

PLAQUEMINES PARISH COMMISSION COUNCIL,

Pointe à la Hache, La., September 22, 1965.

Re Hurricane Betsy
September 9, 1965.

Hon. ROBERT E. JONES,

*Member of Congress, Chairman, Subcommittee of Committee on Public Works,
U.S. House of Representatives, Federal Building, New Orleans, La.*

DEAR SIR: Hurricane Betsy struck Plaquemines Parish, La., the night of Thursday, September 9, 1965, with recorded winds up to 167 miles per hour and estimated winds of at least 175 miles per hour which were accompanied by a tidal wave which swept upriver as far as Jesuit Bend, mile post 68, west of the river, and a similar distance east of the river.

It is estimated that the tidal waves topped the river levee by at least 6 feet in the lower reaches of the parish as far north as Pointe à la Hache.

We maintain a system of back levees and drainage west of the river from Venice, mile post 11, to upper Port Sulphur, mile post 45, and east of the river from Bohemia, mile post 45, to Harlem, mile post 56, and from Belair, mile post 65 to Braithwaite, mile post 80. All of these back levee systems were flooded with several feet of water as the result of the tidal wave.

Plaquemines Parish had constructed a system of modern public schools, auditoriums, drainage plants and facilities at a cost of at least \$15 million financed entirely by the parish. These public facilities were damaged to the extent of at least \$2 million.

The American Red Cross made a preliminary estimate of 618 homes totally destroyed; 2,065 with major damage; 1,988 with minor damage; 406 trailers totally destroyed and 321 suffered minor damage; 140 farm buildings destroyed; 496 boats destroyed or damaged; and 270 business establishments destroyed or damaged.

The total damage to these would amount to several millions of dollars.

The Parish of Plaquemines had just about completed topping its approximately 50 miles of back levees, both east and west of the river, at a cost of about \$1 million.

A large part of this levee topping and earthwork was severely damaged by the hurricane's tidal waters to the extent of about \$300,000.

Most of our people had been evacuated, both east and west of the river prior to the night of September 9 when the hurricane struck. We were fortunate in having so few casualties, possibly less than 10. Our people suffered the usual deprivations and hardships in such catastrophies. The parish, with the aid of the Red Cross, set up relief centers and provided emergency needs to several thousands of displaced persons.

HURRICANE AND TIDAL WAVE, 1915

It is well to be reminded that we had a similar hurricane accompanied by tidal waves which flooded the river levees both east and west of the river as far north as Jesuit Bend, mile post 68, which caused extensive property damage and the loss of many more lives than because of lack of systematic preparations such as used this year.

That was 50 years ago and we had forgotten about it.

SUGGESTIONS

In view of the repetition by Hurricane Betsy, 50 years later, of a disastrous hurricane accompanied by tidal waves upriver, we suggest that every effort should be made by the U.S. Corps of Engineers and the parish of Plaquemines to expedite the construction of the proposed hurricane back levees east of the river from Bohemia to Poverty Point and west of the river from Venice to City Price.

It is suggested that the Corps of Engineers make a serious study of the need for building the Mississippi River levees to an increased elevation to withstand and afford flood protection against hurricanes accompanied by tidal waves in the light of the experiences of 1915 and 1965—tying in such increased river levee elevations with the above proposed hurricane back levee systems.

A FURTHER SUGGESTION

If the U.S. Government would give the Louisiana tidelands project a realistic and honest approach and restore the State's territorial integrity to its gulfward boundary as plainly defined in the State's act of admission of Congress of April 8, 1812, including all that part of the Louisiana Territory acquired by treaty of cession made with France in April 1803 within three leagues from coast and measure said gulfward boundary from the coast line as designated and defined by agencies of the Federal Government under applicable acts of Congress, enacted in 1806, 1807, 1895, 1903, and 1946, and shown on official Coast and Geodetic charts, and accordingly, release to the State of Louisiana all of the moneys held in escrow collected under mineral leases either from cash bonuses, rentals, and royalties within said three leagues from coast, amounting to several hundred millions of dollars, the State of Louisiana could help build a line of hurricane protection levees along the shores of all Louisiana coastal parishes from Cameron to St. Bernard and New Orleans. This would minimize a further drain on the Federal Treasury and enable the State to do its fair share of such protective work to save many hundreds of lives in the future and billions of dollars further damage from more hurricanes and tidal waves which are bound to come almost annually during our equinoctial period.

Respectfully submitted.

L. H. PEREZ,

President, Plaquemines Parish Commission Council.

Mr. HÉBERT. Now, Mr. Chairman, may I ask, also make this request—this concerns both the coventure of Jefferson and Plaquemines Parishes, and Mr. George Schiro of Jefferson-Plaquemines levee district asked that his statement also be added at this point.

SEPTEMBER 25, 1965.

HON. F. EDWARD HÉBERT.

DEAR SIR: We understand that this hearing will not hear representatives of local boards but we hope that you may include in your report the request of the board of commissioners of the Jefferson and Plaquemines Drainage District. The U.S. Corps of Engineers raise the level of their levees along the Algiers alternate link of the intracoastal canal to plus 10 MLG and with other Federal authorities join the district in raising their levees along Harvey Canal-Bayou Barataria and Hero Canal which protect Federal installations including the Joint Air Reserve Training Center-Alvin Callendar Field. These levees protect 37,000 acres of land with an assessed valuation of over \$50 million, and a replacement value in excess of \$250 million and over 50,000 persons.

The district poses the above request in the following:

1. Increased, enlarged, and deepened channels between the gulf and the marsh-land between the Mississippi River and Bayou LaFourche allowing increased interchange and larger quantities of water to enter the swamp areas adjacent to the leveed areas of this district and other districts in the area.

2. Increasing and enlarged drainage reclamation districts in the area with leveed areas reducing the marsh ponding area.

3. An observed drop in tide level on Harvey Canal and the Algier's link of the intracoastal canal during the night of the passage of Hurricane Betsy from 10:30 p.m. to 2:30 a.m. from +2.8 MLG to -0.2 MLG (3 feet) which we believe could be turned to a rise in 3 feet if the hurricane would have passed on a more westerly course than Hurricane Betsy which would top the present levees and flood the area of 37,000 acres protected by these levees.

The above statement is an outline of our request embodied in our recent letter to you. We hope that you will be able to secure help in this matter.

MR. GRAY. Without objection, so ordered.

The Chair will call President Thomas Donelon of Jefferson Parish.

STATEMENT OF THOMAS DONELON, OF JEFFERSON PARISH

MR. DONELON. Mr. Chairman, gentlemen of the committee, I do want to extend my thanks to you for spending this time with us and reviewing our problems.

Jefferson, I am happy to say, is about 95 percent operative today. We sincerely want to thank the Office of Emergency Planning, the Corps of Engineers, these two agencies allowed us Monday a week ago to go to work immediately in cleaning our debris and remove the scars that were just points of aggravation to our citizens. I sincerely want to thank the President through this body for his visit to our area at a time when he was experiencing real, serious world troubles; that he took the time out to come and visit with us, review our problems, and put the necessary agencies to work immediately.

I certainly want to impress upon you gentlemen our experience in the devastation as a result of Betsy is most certainly a problem that affects our entire country, whether it be floods in the Midwest or storms along our coast. To sort of steal from Congressman Hébert some of his remarks, I most certainly feel that the most important thing that can come out of this committee meeting today is a plan for the future. We certainly request immediate aid. We are very happy to hear of the programs for the levees that are to be constructed in our district, but here in Jefferson we have a more severe problem to the south of us than we have to the east and the west, and that is the vast bayous and lakes that are to the south, these areas most certainly need the more and better constructed levees. As late as last Wednesday, a crisis arose on the west bank where we could have flooded some 60,000 people 11 days after Betsy.

Gentlemen, I certainly request that you go back to Washington and present to the Congress the petitions and appeals. There is very little further that I can say because I think the presentations prior to mine were magnificent and well told. I think the Governor certainly expressed our views for the entire State; and we respectfully request that these petitions be carried through you to the floor of Congress. Thank you, gentlemen, again, for honoring us with your presence.

Mr. GRAY. Thank you, President Donelon, for a very fine statement.

Sheriff Gordon Martin of St. James Parish. Sheriff Martin, will you please come forward?

STATEMENT OF GORDON MARTIN, SHERIFF OF ST. JAMES PARISH

Mr. MARTIN. Mr. Chairman, members of the committee, I didn't come here with a prepared statement, but our situation in St. James was well covered by a very capable Congressman. I spent the last 2 days with parish, Government, local officials, school officials to survey our damages in St. James. They have come up with an approximate figure of about \$12½ million.

We suffered considerably in crop damages, as Mr. Boggs brought out. It is my sincere feeling that some legislation, if necessary, be passed to aid these farmers who were struck so hard last year and again this year. I spoke to a number of farmers in an attempt to get some aid, and found out that unless they are near bankruptcy, they are unable to get the assistance they thought they would get.

The industrial development along the riverfront has caused the price of land to go up considerably; and I am sure that the majority of these farms are mortgaged, but due to this impact of industrial development along this river, land values have risen so they can borrow money from private sources, but the rate of interest that has to be paid with their indebtedness, with two losses of crops, I am afraid our farmers will not survive unless some help is brought.

So, I urge that you look into this matter immediately, and give relief to our farmers because I think our farmers are one of the essential people left in these lower Louisiana areas.

Sugar cane is our principal crop, and it's suffered not one but two tragic disasters. I am not going to take up too much more time because Congressman Boggs has covered our problem very well. I want to thank all of you in behalf of our citizens for coming here and taking your time and listening to our problems, and hope that when you get back, you can convince Congress that we need some help. Thank you very much.

Mr. GRAY. Thank you very much, Mr. Martin, for your very fine statement.

Mr. BOGGS. Sheriff, I would like to thank you and all the other public officials in St. James. May I ask that you found the cooperation you have gotten from the Government has been satisfactory?

Mr. MARTIN. We have had good cooperation, Congressman; but like I say, I think our farmers are a little disappointed.

Mr. BOGGS. We have a little problem there involving the law.

Mr. MARTIN. I was informed by the head of this department, strictly according to law, they have to operate.

Mr. BOGGS. Some specific recommendations here which I am going to submit to the committee. That's why I made the point about the farmers, because I know how desperate this situation is. Are all of your utilities restored?

Mr. MARTIN. I would say about 95 percent restored. We were completely without communication of any kind with the exception of radio communication with the sheriff's office, which also failed before the storm was over, and it is a tragic thing when a community has no communications, no water, no power. We witnessed that, and we survived, and our people have come forward in helping each other, and I would say today we are about 95 percent back.

Mr. BOGGS. Do you have either one of your two mayors here with you?

Mr. MARTIN. No, I haven't seen either one of the mayors. They told that they would try to be here, but evidently they haven't shown up.

Mr. BOGGS. You tell them we expressed—

Mr. MORRISON. I have a question I would like to ask the sheriff: You spoke of the damage to the cane farmers. Have you any other type farmers that were damaged by the high winds?

Mr. MARTIN. Yes, sir. We have our vegetable farmers; we do have a considerable amount of vegetable farmers; all their small crops which were beginning to set out like cauliflower, cabbage, and so forth was completely lost; and also we have a unique crop that's grown in St. James, which is the only place in the world it's grown is the Perique tobacco industry. Fortunately the tobacco was already harvested and already put away in his barrels, but may I say all but three of the tobacco curing barns were knocked down during the storm, only three standing in the community.

Mr. JONES. Approximately how many did you have?

Mr. MARTIN. I would say a hundred or more barns.

Mr. JONES. Only three left?

Mr. MARTIN. Three left.

Mr. MORRISON. I think your particular parish grows quite a tremendous amount of vegetables and produce?

Mr. MARTIN. Yes, sir.

Mr. MORRISON. For the New Orleans market, Baton Rouge market, and other cities?

Mr. MARTIN. That's right.

Mr. MORRISON. Particularly with the fact that you are close to New Orleans and you have favorable soil conditions, you grow a tremendous amount of vegetables and it's very important as far as your parish is concerned?

Mr. MARTIN. That's correct.

Mr. MORRISON. And they have been damaged severely?

Mr. MARTIN. Severely.

Mr. MORRISON. The reason I am asking these questions, I am on the Agricultural Committee, and I want to convey your ideas back to my committee and tell them just exactly what we face down here in Louisiana as far as our farmers are concerned. We certainly appreciate your cooperation and your very fine testimony.

Mr. MARTIN. Thank you.

Mr. DORN. Along the lines my distinguished colleague, Mr. Morrison, was discussing, the greatest single crop in the South today is pine trees and timber, and I know the great State of Louisiana has considerable timber which is used for lumber and pulpwood and plywood. To what extent are the timber resources of this State damaged? I want to go into that.

Mr. MARTIN. I wouldn't be able to answer this because there is—

Mr. MORRISON. Would the gentleman yield at that point? I think that will be covered very fully tomorrow because this isn't in his statement.

Mr. DORN. Thank you, Mr. Morrison. I do want to go into that tomorrow, because when Hurricane Hazel hit South Carolina and North Carolina, I mean, that damage to timber was more extensive than any other one thing, and it involves a lot to go in there and see the people get the proper prices for the timber that's down and get it out before it decays. I want to go into that.

Mr. MORRISON. This preliminary estimate, it's close to \$700 million worth of timber and pulpwood laying on the ground right now.

Mr. GRAY. Thank you, Sheriff.

The Chair would like to call as the next witness, Mayor Bill White, of Gretna. Mr. White? Is he here? Mayor Tassin. Mayor, we are delighted to see you this morning.

STATEMENT OF MAYOR ERNEST J. TASSIN OF WESTWEGO

Mr. TASSIN. Thank you very much. I am very happy to be here, Mr. Chairman; I appreciate this opportunity, gentlemen. I will go on record as thanking you gentlemen, with our wonderful president of Jefferson Parish, Thomas F. Donelon. I would also like to go on record to submit a written statement within the next few days.

(Statement of Mr. Tassin follows:)

CITY OF WESTWEGO, LA.,
September 27, 1965.

Hon. ROBERT JONES,
House Committee on Public Works,
U.S. House of Representatives,
Washington, D.C.
(Attention of Mr. Sullivan.)

HONORABLE SIRs: As mayor of the city of Westwego, I am submitting my report to you on Hurricane Betsy, which reached its force starting approximately 9:50 p.m., Thursday night, September 9, 1965.

Our first major problem Friday, September 10, 1965, was to find our raw water intake was knocked out by eight barges sitting upon the river batture. Immediately we set forth preparing temporary raw water intake suctions to provide water to our Westbank community, as far west of our city limits to the St. Charles Parish line.

All of our city utilities were completely knocked out. Within 72 hours we started restoring some of our utilities along with the task of clearing debris from the streets all over our community. The damage to our public property as well as uninsured property is estimated at approximately one-half million dollars.

With not enough of devastation from Betsy, we had a sudden rise in winds from the south, which forced waters through our bayous. up Bayou Segnette causing very high tide against our rear protection levees—forcing an overwash and cave-in in the rear of our city—threatening us with 6 to 8 feet of floodwater in the city of Westwego and parts of Marrero.

Along with many other problems and hardships this has caused a tremendous problem of finance, so I am urging financial assistance in whatever possible form we can obtain to rehabilitate our people.

Enclosed, gentlemen, please find photographs and resolution of Jefferson Parish Council and city of Westwego, mayor, and board of aldermen.

Thanking you deeply for your visit to our area during our grave emergency and not at the least for the wonderful cooperation from your Federal departments in our area under your jurisdiction.

Very truly yours,

ERNEST J. TASSIN, *Mayor.*

(Balance of material to be found in committee files.)

Mr. GRAY. We will leave the record open for approximately 5 days.

Mr. TASSIN. Thank you very much. Due to the fact that the last 72 hours, we almost suffered another disaster back of our city of Westwego due to the rising tide of Bayou St. Anthony and the bayou waters back of our city. We have suffered damages to our raw water intake, which was knocked out by 8 of the sum of 300 barges over our mighty Mississippi River. We still have two sitting 5 feet from our water pump-house. We set in motion immediately two temporary water intake lines around these barges to supply our people with normal water pressure, and within 72 hours after Hurricane Betsy—not at any time during Hurricane Betsy or the 72-hour period after were we ever out of drinking and cooking water or for emergency uses.

South of our city needs, and badly needs, protection from, after hurricane, high-water levels due to the outlets to the Gulf of Mexico, through Bayou Cummings and Bayou Segnette.

This past Wednesday, we could have suffered another disaster to some 11,500 people of our city. We could have had this past Wednesday, in the last 72 hours, which we worked hard; we have it under control temporarily only—we could have had some 7, 8, 9 feet of water affecting some 11,500 people in the city of Westwego.

Our seafood industry has suffered a considerable amount of damage. We are hoping and praying that we do get some aid to some of these projects. I feel ashamed to be up here after so many people have so much damage in the State of Louisiana. We are thankful and we are counting our blessings that we only have approximately a half million dollars of public property damage as well as uninsured property damage. I thank you very much for allowing me to be here with you gentlemen today; and I appreciate you all coming to our fair city.

Mr. GRAY. Thank you, Mayor. We will leave the record open for your more comprehensive statement. Thank you very much.

Mr. BOGGS. Have you gotten cooperation from all the agencies?

Mr. MARTIN. I must say, and if I can put this in the record, I think Colonel Bowen should be commended on the wonderful job he and his staff has done during this emergency and many, many other agencies. Thank you very much.

Mr. GRAY. The Chair would like to call Sheriff John St. Amant, of St. Charles Parish. Mr. Dufresne, you may come forward also if you like.

STATEMENT OF JOHN ST. AMANT, SHERIFF OF ST. CHARLES PARISH

Mr. ST. AMANT. Congressman Boggs, our wonderful Member of Congress from the Second Congressional District, and the rest of you gentlemen who have so graciously conferred this honor upon us with your presence here today to try to solve our many problems, we in the

parish of St. Charles, were at one time a farming industry. Today, we are industrial. There is a little bit of cane grown in St. Charles Parish, not much; but there is 20- to 40-percent damage to this cane crop depending upon the variety of the cane. We grow some vegetables. The bulk of that is lost. What was planted has to be replanted. There is 25- to 90-percent damage to farm equipment. We have quite a few industries in St. Charles Parish, Shell Oil, Shell Chemical, Hooker Chemical, National Phosphate, Union Carbide, Monsanto, General American, Terminal Land Storage, Cities Service.

It is impossible at this time to give you a report on the damage done to these industries. These people are still in the process of figuring all of their damage, which in one case I know of is extensive. Shell Oil has been damaged to something like \$1½ to \$1 million. I am certain that the other industries have quite a bit of damage, also.

Our damage in the parish, homes, barns, things of that nature I would say would run between \$5 and \$10 million. Do you concur in that?

Mr. DUFRESNE. Yes.

Mr. GRAY. This is in your parish?

Mr. ST. AMANT. This is in our parish, sir. That is the east and west bank of the river.

We, too, like Sheriff Gordon Martin stated, lost all communication, and thank God for the wonderful people connected with these public utilities; namely, the power company—well, let's take first the water-works—water was restored almost immediately. Power, these people went to work, and today, telephone and power, lights, and so forth, have been restored to practically 100 percent of the parish. We can't say too much for the wonderful job these people have done for us. I think all of the parish as a whole has been very patient. I think the power people have been patient, listening to the many gripes these people have come forward with.

We have approximately \$250,000 to \$400,000 worth of damage to the school system. Most of this has been sort of temporarily covered; schools are all open.

I think that just about covers everything that I can think of at this particular time; and before Congressman Boggs asks this question as he did the other people, I want to say to him and the rest of you gentlemen here that we have gotten 100-percent cooperation from all agencies. SBA has set up in the courthouse; the Red Cross set up in the home of my jailer; and we have just about taken care of everybody up there who has lost their homes. The license bureau people, we moved in. We have done everything we possibly could for the welfare people—they lost their home. We have quite a bit of work to do in the parish of St. Charles; and I feel certain with the help of you wonderful people—we had no water damage, incidentally—that we are going to come out of this thing all right. Thanks a million to all of you for coming down; it affords me no end of pleasure to be able to stand up here and talk to you.

Mr. GRAY. Thank you very much, Sheriff, for that fine statement.

We will now hear from Roosevelt Dufresne, president of the police jury, St. Charles Parish.

STATEMENT OF ROOSEVELT DUFRESNE, OF ST. CHARLES PARISH

Mr. DUFRESNE. Mr. Chairman, members of the committee, I am Roosevelt Dufresne. I want to thank you for the opportunity that you have given me this morning to get up and have my say with all this testimony that has been made. I don't think I can add too much to it. However, I would like a chance to thank the Office of Emergency Planning, the Corps of Engineers, and all the Federal and State agencies that have come to Louisiana to help us.

We, of Louisiana, are proud people. We don't care to beg for anything. We usually roll up our sleeves and take care of our own problems; but in this case, it's just a little too big for us to handle, and we are asking you if you can bend the rules a little, to give us all the help that you possibly can. We appreciate everything that you have done till now. Thank you.

Mr. GRAY. Thank you very much. Sheriff Percy Hebert, of St. John the Baptist Parish. Do you have someone with you, Sheriff?

STATEMENT OF PERCY HEBERT, OF ST. JOHN THE BAPTIST PARISH

Mr. PERCY HEBERT. Mr. Becnel, superintendent of schools.

Mr. GRAY. Love to have Mr. Becnel, superintendent of schools, come forward.

Mr. PERCY HEBERT. Mr. Chairman and gentlemen, first, I want to thank the Federal Government for everything they have done to help us in St. John the Baptist Parish. To the Congressman for Illinois, this will be the shortest speech you ever heard.

Mr. HÉBERT. You mean the shortest speech for a man named Hebert? [Laughter.]

Mr. PERCY HEBERT. Gentlemen, our condition in St. John the Baptist is similar to St. James. Our sugarcane crop, in fact, all farms are totally—not totally destroyed—sugarcane I would say is about 40 percent destroyed as of now. Of course, we can't tell what will happen between now and the time of grinding. It's possible the sugarcane may sour on the farmers and they won't be able to grind at all.

However, the breakdown here of the damages done in St. John the Baptist Parish, we had three churches destroyed completely; seven were damaged, at a cost of about a million dollars. Industry cut down to \$2,500,000; utility, \$225,000; school, public and private, \$800,000; crop damage to all crops, \$2,250,000; business places, homes from minor to complete destruction, \$2 million; which is a total of \$8,775,000.

Mr. GRAY. How much again was that for schools?

Mr. PERCY HEBERT. \$800,000.

Gentlemen, again I want to thank you for coming down to Louisiana to see what has happened.

Mr. BOGGS. Sheriff, have you had cooperation from all the Federal agencies?

Mr. PERCY HEBERT. Yes, sir; positively.

Mr. HÉBERT. You are getting all your debris cleaned up?

Mr. PERCY HEBERT. Going pretty good at it. I want to say this for the communications: The Louisiana Power & Light tied in the last home yesterday with power. In fact, we are operating now 100 percent on the power system. Telephones are about 90 percent.

STATEMENT OF ALFRED BECNEL, SUPERINTENDENT OF SCHOOLS

Mr. BECNEL. My name is Alfred Becnel, Mr. Chairman. Thank you very much for the opportunity to be with you. I verify with my sheriff the figures for the public schools in St. John the Baptist Parish. I have a detailed estimate that I will present along with his for \$525,-533.05 damage. That's our estimate. Of course, we are fortunate that quite a bit of this is covered by windstorm insurance, and we hope that all of it is as a matter of fact.

(Detailed report in committee files.)

Mr. BECNEL. I would like to join with my sheriff and thank you for an opportunity to be here this morning; and also as president of the Farm Bureau of St. John the Baptist, which is a dual role I hope, I would like to say that I would raise that estimate from 50 to 60 percent damage on the sugarcane crop in my parish, for the cane is broken in half, and between now and the time of grinding, we are going to be fortunate to get 40 percent, I believe.

In addition to that, we have three sugar mills. I estimate the damage of over a million dollars to that equipment, in other words, their ability to operate. We sure would like for you to look into those problems that Sheriff Gordon Martin explained so well for the farmers and truck farmers are just out of business, the poor trappers are the same way. Our agricultural industry is ruined is the easiest way to put it. Thank you very much.

Mr. JONES. Thank you very much, Superintendent.

The next witness will be Mr. W. S. Chadwick, American Sugar Cane League. Mr. Chadwick?

STATEMENT OF W. S. CHADWICK, OF AMERICAN SUGARCANE LEAGUE

Mr. CHADWICK. Mr. Chairman, I will submit a copy of my statement for the record.

Mr. GRAY. Without objection, it will be made a part of the record at this point.

Mr. CHADWICK. My name is W. S. Chadwick. I am vice president of the American Sugar Cane League, a nonprofit organization of Louisiana sugarcane growers and processors.

I will not go into, Mr. Chairman, the details of our property damage. Congressman Boggs has correctly expressed the estimate of 25 percent sugar loss. We estimate that will amount to \$26,700,000; and on top of that will be another \$6,700,000 increased cost to our farmers. Those figures do not include our additional milling costs nor do they include property damage figures; that is purely crop loss. Of course, Mr. Chairman, I am sure you realize that the figures we are talking about are overall figures. In case of individual farmers and individual areas, the percentage loss will be much greater.

We have a suggestion if you will, sir, which we think is concrete and which we think can be put into effect. We think it is a very reasonable suggestion. There are no Government programs which offer to farmers and processors of agricultural products the type of aid needed in the instance of a major disaster such as Hurricane Betsy. We understand such aid is offered to nonfarmer businesses.

We believe that legislation should be enacted to provide a 10-year loan at 3-percent interest to any farmer or processor of an agricultural product who is seriously affected by a major, natural disaster. These loans should be made when the proceeds from the sale of products from the affected crop or processing season will not fully pay those portions of obligations which mature before or at the time all of such proceeds are available. The amount of the loan should be the amount by which such proceeds fall short, meeting the payments due on obligations, and it should be used to make the payments to permit the farmer or processor to remain in business. The loan should be subordinated to any other remaining existing and future loans connected with the continued operation of the farm or processing establishment. This would help assure that the farmer could continue getting future loans from the credit institutions from which he normally borrows. Loans such as we propose would spread part of the effect of the disaster over a 10-year period. We believe this would be a wise national policy.

Much publicity has been given to the 3-percent loan available to non-farm businesses and to homeowners. Farmers are not eligible for these loans. The 3-percent loan available under certain conditions from the Farmers Home Administration are available only to farmers who cannot possibly get loans at high interest from any other source. This criterion is not applicable to nonfarm businesses and homeowners who are applying for disaster loans from the Small Business Administration. We think no such criterion should be applied to farmers and processors of agricultural products.

What we are suggesting, Mr. Chairman, is quite simple: It is a normal practice for farmers to borrow against the proceeds of his crop and for the purchase of agricultural machinery.

Mr. WILLIS. As I understand your proposal, it would operate in this way: That if, as would be the case this year, the amount of crops saved and sold, did not meet the cost of producing and harvesting that crop this year, that the loan you propose at 3 percent repayable over 10 years, would be the difference between the two; is that it?

Mr. CHADWICK. Almost, Mr. Willis, but not exactly. What we propose is that the proceeds from that crop were not sufficient to meet the loans which the farmer has made in order to produce that crop, then he be given a 3-percent, 10-year loan for that difference.

Mr. WILLIS. Well, it's practically the same.

Mr. CHADWICK. Yes, sir; very much.

Mr. WILLIS. And as I understand it, this loan you are talking about which would be a new program, would not stand in the way of that farmer who would be given 10 years to pay that loan, stand in the way of the farmer making an application under present law from, let's say, Production Credit Association to keep in business?

Mr. CHADWICK. That's exactly correct, sir. We are asking that that loan be subordinated to future crops so that the normal lending agency can loan that farmer money so he can stay in business, and we can dig our own way out.

Mr. WILLIS. In other words, this would not be a gift; the debt owed this year would not be forgiven; they would have to be paid later on, but at least he would have 10 years to pay it back; and also under present law, he could borrow to keep in business?

Mr. CHADWICK. You are correct, sir.

Mr. WILLIS. To me, that's one of the most practical suggestions that has been offered, and it's along that line as I said a while ago where, unless something like this is done, farmers—and by the way, I represent the greatest part of the sugar industry, sugarcane industry the gentleman is speaking for—many of those farmers as well as cotton farmers and others similarly situated would be faced with the proposition that because of this disaster, they can't pay last year's loans from the production credit because of the disaster; and, therefore, borrowing new money under present programs to keep in business wouldn't do them any good if they are going to be foreclosed on and wiped out.

Mr. CHADWICK. You are correct, Mr. Willis. I would only possibly elaborate very slightly on what you have said by saying, because of this second disaster, because our people took Hurricane Hilda last year—

Mr. WILLIS. Yes, and I would judge that if legislation is proposed, that it would be extremely wise and exigible and fair to make it apply to last year's disaster and this year's disaster—at least 2 years' losses—to enable him to keep going, would be pooled together and he would have 10 years to pay it, all debts, and then he could still, under present law, borrow money to keep going?

Mr. CHADWICK. I appreciate your comments, sir.

Mr. WILLIS. I compliment the gentleman. Now, as I see it, too, this, of course, would be a national program; it wouldn't be restricted to sugarcane; this would apply to cotton areas of South Carolina, capably represented by William Jennings Bryan Dorn and the areas of California and other farm areas; and it could result from disaster, from a tornado or dust storm and so on. In other words, this would not be a Louisiana sugarcane program.

Mr. CHADWICK. Mr. Willis, although my recommendations are made on behalf of the sugarcane farmers who I represent, the recommendation itself does not in any way restrict itself to sugarcane farming; it's applicable in my opinion to any farming.

Mr. WILLIS. Just one more question, and this it seems to me would not in the least load or destroy the approach you are advocating that this ought to be—at least we should consider making it applicable to shrimp and oyster people who are really in the same fix.

Mr. CHADWICK. In a sense, sir, they are farmers.

Mr. WILLIS. Well, they are made farmers by law in many respects. I compliment the gentleman, and certainly believe that this is one piece of legislation perhaps we could consider rather rapidly, don't you think, Mr. Dorn?

Mr. DORN. I think we could pass it in a week's time.

Mr. BOGGS. I would like to join what my colleague, Mr. Willis, has said, but I would like to point out that I would think in the case of some of these very small farmers, and in the case of truck farmers, for instance, that there would also be required a little direct relief. I would not foreclose that, while accepting the proposal that the gentleman offers.

Mr. CHADWICK. Certainly I have no argument there, Mr. Boggs.

Mr. WILLIS. Just one more thought. This comes back—if you will yield—I was just about to say this: This fortifies the position of the Governor and myself and others expressed this morning that these

hearings may go into directions where perhaps not this committee, Public Works Committee, but another committee can come to the rescue; and we are very lucky to have a member of our delegation, Jimmy Morrison, on the Agricultural Committee that might likely have jurisdiction on that.

Mr. Boggs. Let me say something in that connection: As Jimmy has some problems there, he makes his own areas; he mentions timber, but there are many others. This committee's, as I understand it, jurisdiction—it has jurisdiction to write an overall disaster bill either nationwide or areawide. I would hope, Mr. Chairman, that your staff people who are very competent would begin tonight reviewing this testimony and decide what approach we should take. I am quite confident that we can get legislation; it's a question as to what form it takes. I have already talked to Mr. Sullivan, and he says that they are prepared to do that. I hope that meets with your approval.

Mr. JONES. If we weren't interested, we wouldn't be here.

Mr. MORRISON. I certainly want to commend the gentleman for his very excellent suggestion and approach on a very serious problem that the agricultural people of this disaster area face; and I want to likewise associate myself with Congressman Boggs, who likewise has many farmers in his district, sugarcane, truck farmers and other farmers; and with Congressman Ed Willis. Ed Willis, even since he has been in Congress, he has been the leader for sugarcane; and I think that as leader of the sugarcane farmers of the State of Louisiana, he has done over the years an outstanding job. It has been my happy privilege to be associated with him, to work with him, and to discuss with him, on so many occasions mutual problems that we had in regard to sugarcane, and not only that, but Ed Willis likewise, and Congressman Boggs and I would say, in sympathy with all the farmers of this particular area and the State of Louisiana; and I am very much impressed with certainly this suggestion as far as the Agricultural Committee is concerned; and I believe this, and here is the way I look at it:

I think that as far as all the farmers, whether they be sugarcane farmers or whether they grow produce, truck farmers, or whether they grow cotton or whether they grow so many other crops as farms do in this particular, complete area, that perhaps this problem of making a loan—I don't say necessarily should be limited to 10 years—it might be well to put it over 20 years or even 30 years in instances, or in certain categories, or it might be necessary in some instances where a farmer is small enough, a truck farmer, that he would have a direct grant. But all of those things certainly can be worked out whether this committee has jurisdiction, and assuming that it has; I am sure our chairman, Harold Cooley, will work fully, and our agricultural staff of our committee, will work fully with your committee; but whether it is under the committee of this—I mean, whether it is under the jurisdiction of this committee or whether we will find that it is under the jurisdiction of the Agricultural Committee; and if it is, why, I assure you this, that come Monday morning when I am back in Washington, I will certainly discuss this matter with our chairman, with counsel, with the chairman of this committee, and if it is found out that the jurisdiction would be in the Agricultural Committee—I can't speak for the 35 members of the committee—but I certainly feel, in talking

to the chairman and other members of the Agricultural Subcommittees, that they would be most sympathetic, and I feel that under those circumstances that if it was found that the Agricultural Committee should take jurisdiction of this, that we can introduce legislation immediately and work something out as quickly as possible on the House side. I am sure the Senate will follow suit and do likewise over there and give as quick relief as possible and get the best solution to this very serious problem, because I know you have done a fine job and a wonderful job in representing the sugarcane industry as vice president of the American Sugar Cane League. I know that you know perhaps better than anyone or as much as anyone the tremendous damage and the unknown quantity of the damage as far as the sugar farmers are concerned, and only you might say in the next few weeks to come what will develop, and as you have stated previously, some of the sugar mills are in very, very serious trouble on account of extensive damage; and I think that certainly should be taken into consideration as well; and you might say all processing plants for agricultural products. I certainly want to thank the gentleman for his very fine suggestion and bringing this before the committee at this time. I think you have added a fine contribution for all of us.

Mr. WILLIS. Let me sound another thought that I think should be understood by the people of America, farmers and businessmen and so on, and it is this, and it reaffirms the proposition, the idea of these hearings is to get the general problem so that whether it's one committee or another, we might at least try to do something. Now, going to the Committee on Ways and Means, of which Congressman Boggs, Democratic whip of the House, is one of the senior, most senior members, let me say this—Hale, correct me if I am wrong because it's highly complex, but I think I can state it in understandable language. As I understand it, under a provision put in the income tax law, largely because of your assistance, we have great potential financial relief in the law, that is this: We have what is called a carryback and carryforward provision. Now, that is a technical word; but let me see if it works this way say for farmers: Suppose, because of last year's disaster and this year's disaster combined, a farmer has sustained a net loss, operating loss, of \$10,000. Am I not right that he can carry back that loss to more prosperous years up to a certain number of years back where he made a good profit, and get back an income tax return—I mean, refund? That's technical, but to take a fruitful or gainful or fat year, let's say 1962, 1963 and 1962, he could take the loss of 1964 and 1965, recompile his income tax return, and amend it and carry back some of this \$100,000 loss I am talking about and get a refund; and not only that, but that looking forward to the future as an inducement of staying in business that if he has good years in 1966 and 1967 and 1968—and I think it would be up to almost 1970, I understand—that he can take part of that \$10,000 loss sustained in 1964 and 1965, carry it forward against the hopefully prosperous years to come and pay less income tax. Is that a bad explanation of what the situation is?

Mr. BOGGS. I would think it would depend somewhat on how you operate, corporate operation.

Mr. WILLIS. Well, I am taking a farmer, who is only a farmer, and who is not engaged in other enterprise and has no other income. If he has other income, he always, of course, combines it and takes ad-

vantage of the law. I am talking about the farmer whose only income is from the farm.

Mr. BOGGS. Well, the ordinary answer to the question would be "Yes."

Mr. WILLIS. Well, I mean it's complex, but he is relieved under present law, income tax wise; and what I want to suggest is really your great know-how, and forgive me for saying "influence," couldn't you perhaps make available some information that even stationing of revenue agents could take a look at this thing, advising the farmer?

Mr. DORN. I want to commend the witness for making a positive suggestion. This committee is interested out in the field, tremendously interested in getting ideas and positive alternatives on some of these things, so I commend the gentleman.

Mr. CHADWICK. I appreciate that, sir. I would like to say that I, and the people I represent, are very appreciative of the understanding and enthusiastic attitude of the committee, and I mean that most sincerely.

Mr. BOGGS. I might say that the observation you made with respect to the farmers as far as income tax is concerned applies across the board—

Mr. WILLIS. That is right.

Mr. BOGGS (continuing). To all operations. The Internal Revenue Service, Treasury Department, with their people here in New Orleans, have been informing as many people as possible of what the law does in the case of a disaster. Now, further publicity should be given to it; but they have been working very hard on that since this disaster, the whole area of income tax adjustment.

Mr. GRAY. Thank you very much.

(Statement of Mr. Chadwick follows:)

STATEMENT BY W. S. CHADWICK, VICE PRESIDENT, AMERICAN SUGAR CANE LEAGUE

My name is W. S. Chadwick, vice president of the American Sugar Cane League, a nonprofit organization of Louisiana sugarcane growers and processors. Sugarcane is grown in 18 Louisiana parishes and is the only cash crop grown to any substantial extent in most of those parishes. For most Louisiana sugarcane farmers, sugarcane is their only cash crop.

The effect of Hurricane Betsy will reduce Louisiana's sugar crop from 711,000 to 534,000 tons of sugar, according to our estimates. This 25-percent loss, coming just 1 year after the actual 31-percent loss to our 1964 crop due to Hurricane Hilda, creates some very real and substantial problems for many of the 5,600 canegrowers and 48 cane factories in Louisiana.

The estimated value of the sugar loss is \$26,700,000. Additionally, the cost of harvesting the hurricane-damaged cane, and it must be harvested if we are to stay in business, will be increased about \$6,700,000. Also, cane factories will have higher costs due to grinding rates being below capacity, low quality cane, and higher trash content of cane. All of these factors are inescapable aftereffects of a hurricane.

The reduction in sugar production will result from a combination of less cane being harvested per acre and a lower sugar content of the cane that is harvested. We make this statement based upon our sad experience following Hurricane Hilda last year. Immediately before Hilda came, the U.S. Department of Agriculture estimated our 1964 cane yield would be 29 tons per acre. We actually made 22.7 tons. Our normal recovery of sugar per ton of cane is 175 pounds. Hilda reduced our actual recovery to 155 pounds of sugar per ton of cane. Immediately prior to Betsy, the U.S. Department of Agriculture estimated we would make 28 tons of cane per acre this year. We are now estimating 23 tons of cane per acre and 160 pounds of sugar per ton of cane.

Some cane farmers and processors will have much greater losses than the average for the industry. We expect some canegrowers will suffer more than a 40-percent sugar loss.

There are no Government programs which offer to farmers and processors of agricultural products the type of aid needed in the instance of a major natural disaster such as Hurricane Betsy. We understand such aid is offered to non-farm businesses.

We believe legislation should be enacted to provide a 10-year loan at 3 percent interest to any farmer or processor of an agricultural product who is seriously affected by a major natural disaster. These loans should be made when the proceeds from the sale of products from the affected crop or processing season will not fully pay those portions of obligations which mature before or at the time all of such proceeds are available. The amount of the loan should be the amount by which such proceeds fall short of meeting the payments due on obligations and should be used to make the payments due. To permit the farmer or processor to remain in business, the loan should be subordinated to any other remaining existing and future loans connected with the continued operation of the farm or processing establishment. This would help assure that the farmer could continue getting future loans from the credit institution from which he normally borrows.

Loans such as we propose would spread part of the effect of the disaster over a 10-year period. We believe this would be a wise national policy.

Much publicity has been given to the 3-percent loans available to nonfarm businesses and to homeowners. Farmers are not eligible for these loans.

The 3-percent loans available under certain conditions from the Farmers Home Administration are available only to farmers who cannot possibly get loans at higher interest from any other source. This criterion is not applied to nonfarm businesses and homeowners who apply for disaster loans from the Small Business Administration. We think no such criterion should be applied to farmers and processors of agricultural products.

Although most of the damage which Betsy inflicted upon the Louisiana sugar industry was due to winds rather than flooding, we have had hurricanes in the past which caused substantial damage to cane from flooding. We therefore strongly urge that efforts be made to reduce this hazard.

Mr. GRAY. I notice some of our officials are thinning out. I want to publicly announce that we have a very impressive array of Federal officials in attendance that are going to answer any questions that you sheriffs or presidents of councils or others might have. We have one more witness before calling up this fine array of Federal representatives, Government representatives, so I want to make that announcement, Mr. Boggs, before some of them leave. We will be open to questions from these Federal representatives.

The last witness to appear today will be Mr. Nick Bergeron, who is representing the Louisiana Farm Bureau. Mr. Bergeron, would you please come forward?

STATEMENT OF NICK BERGERON, OF LOUISIANA FARM BUREAU

Mr. BERGERON. I am Nick Bergeron, president of the Lafourche Parish Farm Bureau. I am reading this brief here in the absence of Mr. Kenneth Kahao, who was unable to be here on account of being ill.

Mr. Chairman, gentlemen of the committee, I am Kenneth Kahao, sugar farmer from West Baton Rouge Parish, appearing here today as an official representative of the Louisiana Farm Bureau Federation, an organization of 23,000 farm families domiciled in Baton Rouge, La.

Our organization represents Louisiana farmers who produce a wide variety of commodities.

I will attempt today to objectively evaluate damage to Louisiana agriculture and problems facing our farmers since the ravages of Hurricane Betsy. As you are aware, Louisiana agriculture has been the victim of two devastating hurricanes in the past 2 years. Hurricane Hilda struck the Louisiana coast October 4, 1964, and Betsy, Septem-

ber 9, 1965. To the best of our knowledge and information obtained from the Louisiana Agricultural Extension Service and the American Sugar Cane League, it is estimated that Betsy will reflect a crop loss of \$34 million to sugarcane, \$15,420,000 to cotton, \$6 million to rice, \$2 million to pecans, \$2 million to corn, \$1 million to sweet potatoes, \$1,500,000 to citrus crops, \$6,500,000 to forests, \$600,000 to soybeans, \$3 million to truck crops, \$2,050,000 to the livestock industry, \$500,000 to nursery stocks, \$290,000 to poultry; for a total crop loss of \$74,260,000; this does not reflect the loss of the fishing and trapping industry for which we have no estimate. I call to your attention that this reflects only the crop losses. We have no estimates on machinery, real estate, and other losses.

Mr. JONES. Mr. Bergeron, I notice from reading your report that the average capital investment of machinery and farm buildings and appurtenances, exclusive of residences, is something in the neighborhood of \$35,000 each, to each farm unit.

Mr. BERGERON. To each farm unit.

Mr. JONES. So, this is what you are emphasizing in this statement?

Mr. BERGERON. Yes, sir. Then too, this does not reflect the additional cost necessary to harvest the sugarcane in particular. Then, if the sugar content is awfully low and the harvesting is awfully bad, the cost to sugarcane farmers could be substantially increased. This, gentlemen, you can readily see was a very serious blow to Louisiana agriculture.

To illustrate an expression used by a fellow farmer describing his disaster was that "Hurricane Hilda last year had opened the wound, and Betsy had poured salt into the wound." This, I think, demonstrates the feeling of the majority of our farmers in Louisiana who suffered damage to their crops, machinery, physical facilities for the second year in succession. The two devastating hurricanes are now history, and farmers are in the field surveying damages and salvaging the remains.

The question now most asked us by farmers is, "How can we get adequate financing to continue our farming business?" It is commonplace for farmers in the disaster area to be obligated for loans in the past 2 years and facing a third year with no possible way of repaying all the obligations.

Immediately after the hurricane, there was a statement made that emergency assistance would be provided the people who are hurt by the disaster. The impression was left with our farm people that they would be able to borrow 3-percent money through existing agencies to help them get back on their feet. This encouraging news softened the blow to our farmers, but they were rudely awakened when they attempted to secure loans at 3 percent. Our farmers in the river parishes in particular were disappointed when they found that regulations pertaining to Farmers Home Administration loans were such that farmers had to be unable to obtain needed credit from other sources. I softened up one word. Immediately after the disaster, the Farmers Home Administration offices opened to begin serving farmers. There were meetings held in the area and an explanation provided to farmers of the requirements to be met to be eligible for emergency loans. After early emergency local meetings, our farmers were more confused than before. They had taken for granted that help would be

provided based on statements made by reliable people, but due to regulations, the help they needed could not be provided. However, there have been meetings since with high FHA officials, Louisiana Farm Bureau, and lending agencies.

Mr. JONES. Mr. Bergeron, you are making an objection to the administration of the Farmers Home Administration. One of the reasons why you are discussing the fact that they must prove to the satisfaction of the administration that they could not acquire loans from normal, commercial interests; and the reason that was put in the law was because of the American Farm Bureau administration. Your organization fought as hard, as earnestly, and as deliberately as any group in America.

Mr. BERGERON. We realize that—

Mr. JONES. So, I don't see where the Farm Bureau Federation can come back now and complain of what they insisted should be in the law to begin with.

Mr. BERGERON. We understand very well; the only thing was that a few of the farmers were—the statements that were made by some of the officials, and after that, regulations were—the redtape and everything else were not—

Mr. JONES. I don't think they are quite as restrictive as your statement would indicate, that they have to come in with their hat in their hand, they are so destitute that they can't make a legitimate loan. If that's true in Louisiana, it's the only State in the Union I know anything about where a farmer, making a production loan cannot find a real satisfaction in doing business with Farmers Home Administration.

Mr. WILLIS. May I say to the gentleman, Mr. Chairman, that the preceding witness made a suggestion—I think the chairman was absent—

Mr. JONES. Absent.

Mr. WILLIS (continuing). Just returned—which I take it from what is to come of the statement of the gentleman now testifying probably would indicate that you two groups are together.

Mr. BERGERON. Are together.

Mr. WILLIS. The suggestion of Mr. Chadwick would provide the relief, the kind of relief you would have in mind.

Mr. BERGERON. Would provide the relief we are looking for and we are suggesting in this brief; I mean, that's the way—I mean, I had not heard Mr. Chadwick's suggestion before.

Mr. WILLIS. From what you say next, I take it that you ask for practically the same thing.

Mr. BERGERON. Well, as you say; if you want, I mean, I will continue, but truthfully, after Mr. Chadwick's suggestion, I think it can take care of this situation as we see it here.

Our farmers need low-interest loans to refinance present obligations and money to continue their farming business. FHA regulations are such that loans cannot be refinanced, and a borrower must be unable to secure the needed funds from existing sources at a reasonable rate of interest before FHA can provide needed financing. These two points in particular are preventing the majority of our farmers from getting low interest loans from FHA. Our farmers need adequate financing to get back on their feet, and are not looking for a gift.

We feel that if Farmers' Home Administration were allowed to refinance emergency loans as they can now do under their regular loan program, and were allowed to relax the requirements that a farmer be refused credit from normal sources before being eligible for FHA loans, thus making it possible for needy farmers to secure low interest, long-term, loans, Louisiana agriculture would survive and would continue to be the largest industry in Louisiana.

I appreciate the opportunity to appear before you today and give our views.

Mr. JONES. Thank you very much.

Mr. WILLIS. I want to commend the gentleman who made the preceding suggestions seems to be extremely appealing to members of this committee and members of the other committee, myself, Congressman Morrison, the Agricultural Committee is involved and all the regulations, I think we might be able to work something out; I mean, listening to the discussion, I feel as though the Louisiana Farm Bureau would concur in those.

Mr. GRAY. Our concluding witnesses are from the Federal agencies and others who are representative of regional bureaus. Mr. Frank Dryden, Deputy Director of the Office of Emergency Planning. Mr. Dryden?

STATEMENT OF FRANK DRYDEN, DEPUTY DIRECTOR, OFFICE OF EMERGENCY PLANNING

Mr. DRYDEN. Mr. Chairman, members of the committee, on behalf of the President and my Director of the Office of Emergency Planning in the executive office of the President, I want to thank you for not only coming to Louisiana to investigate the serious damages that have taken place here, but for inviting the Federal agencies to accompany you and participate in this program.

Before I move to the Federal agencies, Mr. Chairman, I would like to say that the coordination and the assistance that has been given to Louisiana by the Federal Government could not have taken place without the coordination and the cooperation and the enthusiastic reception given to them by Governor McKeithen and his staff. From the beginning of the hurricane warnings 'til today, we have had nothing but assistance from them and help from them; and I want to thank them on behalf of the Federal agencies, and in particular Leon Gary who has been of such great assistance to the officials of the Office of Emergency Planning.

We have with us here today representatives of the agencies of Federal Government that have been involved in disaster relief. If I may, I would like to introduce the executives of those groups and suggest to the committee, if it meets with his approval, that they submit for the record a listing of the activity that has gone on in their jurisdictions rather than having to make reports at this time.

From the Bureau of Public Roads, we have Mr. Frank Turner, the Chief Engineer. From the Department of Agriculture, we have Mr. Jack Frost, the Director of Emergency Loans, Statistical Reporting Service.

Mr. FROST. Mr. Dryden, that title there is a little wrong.

Mr. DRYDEN. We will change that.

Mr. FROST. Here is the statistical reporting man here at my side. I am Director of the Emergency Loan Division of the Farmers' Home Administration in the National Office, Washington.

Mr. DRYDEN. I stand corrected. Thank you.

Mr. Clarence Parker from the Department of Agriculture. Mr. J. S. Smith, State director of Federal Crop Insurance Corporation; Mr. W. O. Holley, District Director of Federal Crop Insurance Corporation; the Honorable Eugene P. Foley, Assistant Secretary of Commerce; Mr. Ross Davis, the Acting Administrator of Small Business Administration; Mr. Hal Galloway, Acting Administrator in Charge of Disaster Operations in New Orleans. From the Maritime Administration, Mr. Donald Allen, the Maritime Administrator, representatives for ports. From the Public Health Service, Mr. James Hundley, Assistant Surgeon General for Operations. From the Housing and Home Finance Agency, Mr. Milton Semer, Deputy Administrator and General Counsel; Mr. Richard Still, the Acting Commissioner for Community Facilities Administration; Mr. William Collins, Regional Administrator, and from the Red Cross, Mr. Robert F. Shea, vice president.

Mr. JONES. Mr. Dryden, I am informed, anyone who is in attendance to this meeting, if you have any questions that you think that will be helpful to you, you can direct them to the people who have been accumulated here today. That is their purpose in being here is to help you with any problems that you think that will be of benefit to the interests that you represent.

Mr. DRYDEN. Mr. Chairman, I might add that I am not sure my list is complete of Federal representatives. If I have overlooked any, I wish they would stand and identify themselves.

Mr. COLEMAN. Coleman, from the Department of Agriculture. We have been assisting.

Mr. JONES. Thank you very much.

Mr. DRYDEN. Mr. Chairman, the members of the Federal agencies stand ready to answer any questions the committee might have at this time that would in any way assist them.

Mr. BOGGS. Mr. Dryden, I wonder if we could get a report on the SBA, the number of loans that they have made up to now?

Mr. DRYDEN. Yes, sir. Mr. Ross Davis is with us, I believe, and can report on that.

STATEMENT OF ROSS DAVIS, OF SBA

Mr. DAVIS. As of yesterday, Mr. Chairman, we have handed out applications of 5,491, so that I think that—

Mr. BOGGS. How many have you processed? How many loans have you made?

Mr. DAVIS. Well, perhaps it would be useful if I would go down the list which indicates where we stand on this. As I say, we have handed out a total of almost 5,500 applications. Now, we have received back a total of 879 applications. This is as of the close of business the 23d. Of these, 747 are for homes, and 132 are for businesses. If you would like, I can give you the total figures which these applications represent.

Mr. JONES. Yes.

Mr. DAVIS. The totals——

Mr. BOGGS. These are the 879?

Mr. DAVIS. Yes, sir, the 879 come to about eight and a quarter million rounded out.

Now, of the loans approved, we have approved 80 loans to finance repair of homes and 2, so far, for businesses. For the money actually handed out, we have 16 homes and 1 business, total 17.

In the backlog, we have applications being processed of 797.

Mr. BOGGS. We have some information that you would process loans up to \$2,500 in a matter of 48 hours.

Mr. DAVIS. Forty-eight hours is our target figure.

Mr. BOGGS. And the others in a very short period of time. Do you feel now you are going to be able to meet those figures, those target dates?

Mr. DAVIS. I think we have the potential of doing this, and we intend to do it, Mr. Congressman. I don't want to minimize the situation in which we find ourselves. If I could have a minute, I would like to describe what our problem is.

With this disaster a scant 2 weeks ago, we have mobilized 150 people and put them in the field here. These 150 people represent administrators, public information people, community relations people, appraisers, loan specialists, lawyers, personnel experts for recruitment, administrative people of various kinds.

Now, to get judgment about what this resource represents. These are three times, three to four times, as many people as we have ever in the history of the agency mobilized for any disaster.

Mr. BOGGS. Have you ever had one this big?

Mr. DAVIS. I would think no. This is my judgment. Now, this mobilization is not finished as of today; it is continuing; but we are coming to the point where it is getting very difficult for us to find trained people. Now, in this mobilization process, we have brought people in so far from 30 different States; we have brought them in from the North, the South, the East and the West; and this process will continue. We also have the need to put these people to work in an orderly fashion; and I think we all agree that Mr. Galloway has done an outstanding job in doing this; however, this backlog of 5,500 cases compares, I think, with just about the total, for example, of applications that we have received in the Alaska earthquake over a year and a half. So, you can see the dimensions of the problem facing the agency.

Now, yesterday I am told, a man came in to us who needed a loan right away for a boat. This loan took 45 minutes to process from start to finish. The man walked out with his money.

Mr. BOGGS. I don't want to interrupt you, but I would hope—I realize you have a lot of problems—but I would hope that you would be able to get this thing organized so you can have a lot of cases like that. Now, you have got 132 business loans pending now. According to the information you just gave us, you processed two of them. Each one of those represents employment, represents people who were probably deprived of their jobs—a lot of little businesses here totally wrecked—and as I say, I don't want to be critical in any way, but I think we just have to expedite these loans.

Mr. DAVIS. I quite agree with you, Mr. Congressman.

Mr. MORRISON. Will the gentleman yield?

Mr. BOGGS. Surely.

Mr. MORRISON. I got this information that I thought was official, all loans up to \$2,500 would be processed within 48 hours and that you brought down, had the checks, where if a person made application for \$2,500 or less, within 48 hours they would have the check. Now, evidently, from what you say that hasn't happened. Now, you have explained in a very excellent fashion about your problems about mobilizing, but it seems to me bringing 30 people in here—bringing people in here from 30 States, I believe you said; and certainly you can get people here, even if you had to borrow them from other agencies, even if you had to recruit them, that could certainly get this job going. Now, when do you expect to be able to follow that \$2,500, 48-hour program you have set up?

Mr. DAVIS. Well, I would like to get the opinion of the men on the field on that, Mr. Congressman. We have never set a standard as short as this in any disaster—

Mr. MORRISON. Well, you set it in this disaster.

Mr. DAVIS. Yes, sir; we have, and we intend to carry it out.

Mr. MORRISON. Well, when do you intend to start carrying it out?

Mr. DAVIS. Do you have any judgment, Mr. Galloway, as to when we can start meeting this standard?

STATEMENT OF HAROLD A. GALLOWAY, OF SBA

Mr. GALLOWAY. Mr. Congressman, I think that depends mainly on how long we continue to have the long lines of original contact with the people. As you will note—Mr. Davis omitted to mention that—in the 2 weeks that we have been operating, less than 2 weeks, about 11 days that we have been operating, we have had specific contact with 6,845 people, in which we provide them with an orientation lecture, and give them a registration number so we can take first come, first served. Following that, we have conducted individual interviews with 6,764 people.

Now, our technical competency in credit is now being sopped up in this original interviewing, this individual interviewing. In that process, we hand them an application and give them counseling with respect to how to fill it out. Now, the processing actually has to be done by the same types of competent people, and at the moment, we are short credit men for the purposes of processing these applications.

In specific answer to your question, I can only say that if the demand for original contact—if the people continue to come as they are now, it may be 2 weeks before we can actually meet in every case the time standards that we have set for ourselves. Credit men are hard to find. We just robbed all our field offices, and we are going to do some more; but that's our problem. Our problem is that we have to handle each person individually; and I think that in 11 days we handled 6,700 people individually; and now they are coming back with their applications; and this is my present problem, I do not have sufficient credit men.

JONES. It looks like to me, Mr. Galloway, you are moving pretty hastily. I don't see that you can accumulate all that personnel and interview 6,000 people and get a pushbutton operation. I think the

Small Business Administration should be commended for working as fast as it has.

Mr. GALLOWAY. Thank you, sir. We are convinced we can do better.

Mr. DAVIS. Mr. Chairman, I would like to comment on that. We realize that this committee is spending its Saturdays and Sundays working on this problem. We are also aware of the fact that the membership of this committee is not solely from Louisiana; and we have an example set by this committee to live up to. We intend to live up to it; and as far as I am concerned, there is nothing we are doing countrywide in this agency that is more important than what we are doing here except some of the other disasters. Even then, this operation must get into full flow. Mr. Galloway has—

Mr. Boggs. Let me ask you one or two more question, Mr. Davis. Now, projecting—and I am sure you are much more competent to do this than I am—but you now have about \$8¼ million in applications; and you have received approximately 8,079 applications. You have got a possibility of as many as 5,000 more. Do you need any further authorization to meet this? How much do you anticipate the total loan would go to, \$100 million?

Mr. DAVIS. Until I came down here, Mr. Congressman—I would say until this committee brought me down here—I was of the opinion that \$85 million would cover this.

Mr. Boggs. What is your present opinion?

Mr. DAVIS. I am going to think long and hard on this question; Mr. Boggs.

Mr. Boggs. Surely.

Mr. DAVIS. Now, as far as the availability of funds, we have already requested Congress for an increase in our authorization of the appropriation, and they are trying to keep in touch with us on almost an hourly basis.

Mr. Boggs. You mean that between now—you need it in a supplemental appropriation? That's what I am trying to develop.

Mr. DAVIS. We need two things, Mr. Congressman, unfortunately. We need an increase in our authorization for appropriation to the revolving fund and a supplementary.

Now, I am told the Bureau of the Budget has approved for this current supplemental appropriation, an amount equal to the maximum that can under the present condition of our law be appropriated, which is \$76 million. We are authorized to request from Congress an increase in authorization of another \$120 million over this. I am confident that this will go through. We are also in a position as soon as the Congress takes action on this to revise our request for appropriation to the revolving fund.

Mr. GALLOWAY. Mr. Congressman, I might add with respect to the problem of the availability of creditmen, Mr. Davis and I are going to explore the possibility of contracting out individual credit analysis for approval or decline of loans, and in that way proliferate our forces to a considerable extent. We don't know whether we can do this legally. We do not know whether or not the services are available, but we are certainly going to try.

Mr. MORRISON. Mr. Chairman, by suggestion, I know you all have a very monumental task, but maybe it might be possible to borrow

creditors from various banks or various financial institutions; and I think this, that when the President said, "All redtape would be cut," I think that the peoples' reaction to that is that where they are in deep trouble, and where they need one of these loans, need it badly; and as I say, where I come from, when they are in deep trouble, they say, "As of yesterday." I think it behooves all of us, those on the committee, those of us from Louisiana, and from Washington, to do everything possible to cooperate on that end to see that you get the money; on the other hand, you on this end try to make all possible haste and speed to process those loans as quickly as possible, and I certainly can understand your problems. As far as my district is concerned, for instance you put a new office in Donaldsonville, a new one in Baton Rouge, a new one in Hammond, and a new one in Covington to operate with Slidell. That's a brandnew undertaking in all those agencies with people that may or may not be familiar with the locality; and I realize you have many problems; but I sure think that we all feel on behalf of these people that you should do everything possible to get those loans out; and I am sure after you get them out, you will feel better and quite naturally the people that get them will feel better, and we Congressmen certainly will feel better.

Mr. DAVIS. Mr. Congressman, we are aware of the attitude of the President about this situation. We have got that message.

Mr. JOHNSON. Mr. Davis, one question: You stated you need a new authorization for at least \$120 million. What is the status of the legislation granting that authorization as of now?

Mr. DAVIS. My information was, when I left, that the Senate Banking and Currency Committee was prepared to put out a bill. I do not know what the situation is in the House. I talked with Chairman Passman, and he indicated sympathetic understanding of our need. So, although we are doing everything we can to help them, whatever way is possible, I am confident Congress is going to respond.

Mr. BOGGS. Well, let me say to you that we will, on our side, do everything to expedite consideration for that legislation.

Mr. JONES. Any further questions of Mr. Davis or Mr. Galloway?

Mr. GRAY. I just want to ask one quick question: Can we say that if the \$120 million additional is not forthcoming, it might impede or slow down your progress in approving these loans here?

Mr. DAVIS. With the dimensions of this disaster, sir, I am very much afraid that the additional 76 million which we are presently authorized, we would fall short of what we need. It depends a little bit on how acutely the need for money develops among our borrowers because there is some stretchout in building time, and so forth; they all don't need it today. But I would be concerned if we had to do with 76.

Mr. JONES. Thank you very much, gentlemen.

Mr. SHEA. Mr. Chairman, I think there was a question propounded for Red Cross somebody was going to ask.

Mr. GRAY. I have that. I was going to wait until the conclusion of all the other questions. Are there any other questions? If not, I will ask Mr. Shea of the Red Cross.

Mr. BOGGS. Mr. Chairman, I would not want the record to be anything other than to show that as far as I am concerned—I think my colleagues would agree with me—that these agencies, all of them, par-

ticularly your own, Mr. Dryden, have in my judgment done a miraculous job. I want that to be a part of the record.

Mr. MORRISON. Mr. Chairman, I certainly want to join with my colleague in particularly not only praising the other agencies, but likewise praise to you. As I mentioned a specific telephone call, I told you that we had a very serious problem arising in my district, and a lot of our people were very much upset about it; and I think you solved it in exactly 10 minutes. I was amazed at the action you took and the rapidity with which you were able to take it. I certainly want to cite that as an example of an outstanding job that you did in that particular area, and certainly an outstanding job in all the areas which is, as far as your responsibility is concerned, a very difficult task that you have the responsibility for. I think that you certainly deserve the commendation of all the members of the Louisiana delegation as well as members of this committee.

Mr. DRYDEN. Thank you, Mr. Morrison. I had not mentioned my own agency up to this time. I think most particularly the Louisiana delegation knows of the 24-hour job that George Hastings has been doing since the day this thing struck. I just couldn't commend him too highly.

We kept Mr. Phillips down here, who is the chief of all our disaster services. We kept Tom Boggs down here with us, who has been extremely helpful to us. We brought in Mr. George Grace, our regional director from Santa Rosa, Calif., to assist Mr. Hastings. I am very proud of my agency too. I thank you very much.

I would like to read a message that just came over the ticker, because I think it's interesting to this committee. From Miami, as of 1:37. It says:

The tropical Atlantic's fourth storm of the season, Debbie, was brewing today into a mass of squally weather off the southwest Cuba coast. Although technically a tropical depression, forecasters said they expected it to reach storm status possibly by tonight. They said it appeared likely the storm would take a northeasterly track in the general direction of western Cuba. South Florida lies just beyond 550 miles away. Hurricane Carol meanwhile continued to lose strength in the Atlantic about 825 miles southwest of the Azores, and was downgraded to a tropical storm.

Mr. WILLIS. Mr. Chairman, I have an individual from my district who would like the privilege not to address the group, but to file a statement. I refer to Dr. Hamilton who is dean of the college, dean of the Commerce College of the University of Southwestern Louisiana. I would like for Dr. Hamilton to be privileged to file his statement at this point.

(The statement of Dr. Hamilton follows:)

STATEMENT OF HERBERT A. HAMILTON, PH. D., CHAIRMAN, LOUISIANA INTRACOASTAL SEAWAY COMMISSION, AND PRESIDENT, LOUISIANA INTRACOASTAL SEAWAY ASSOCIATION

My name is Herbert A. Hamilton. I am chairman of the Louisiana Intracoastal Seaway Commission, an official Louisiana State agency, and president of the Louisiana Intracoastal Seaway Association, a quasi-public organization. The latter organization was formed to promote our project.

These two organizations are interested in accomplishing a multipurpose project named the Louisiana Intracoastal Seaway. Purposes of the project include hurricane protection; improved navigation; prevention of salt water intrusion; establishment of a fresh water supply for agriculture, industry, and municipal purposes; improved drainage; rehabilitation of marshes for wildlife and fisheries, establishment of new industrial sites and improve national security.

The LISA project from its inception has been designed to provide hurricane protection to the area from Bayou Lafourche to the Sabine River. The extension of this protection to the Mississippi River and the State of Mississippi can be easily combined with the project.

Our project is basically a 40-foot-deep channel with a bottom width of 500 feet running from Bayou Lafourche to the Sabine River. Our proposed channel basically utilizes the present intracoastal channel, but the new channel does deviate from the old in some instances. A major deviation is in St. Mary, Terrebonne, and Lafourche Parishes where the deviation is southward. This deviation was made to increase the size of the hurricane protection area. There are other minor deviations mainly to straighten the channel.

We will accomplish our hurricane protection objective by utilizing spoil to construct the south bank of the channel to a minimum height of 12 feet above mean sea level. This height, of course, can be adjusted upward if research shows it to be necessary. This south bank level will prevent hurricane tidal waves from sweeping in from the gulf and will protect the area north of the LISA Channel.

In addition, all outlets to the gulf or gulf tributaries will have locks or gates to control the flow of water into the area north of the channel. This will prevent the flooding which takes place immediately preceding a hurricane and which becomes disastrous when a hurricane tidal wave and/or rainfall is added.

Sometimes tremendous rainfall accompanies the hurricane. In such cases, the waters will be enabled to flow to the usual low areas. These low areas will be in their usual condition to receive them instead of being flooded by high tides and/or hurricane tidal waves.

Since the LISA project is multipurpose and is designed to accomplish other objectives, the project route has been carefully chosen as the best solution to accomplish the various objectives.

Economic feasibility and cost benefit studies have been made and published for this project. These are as follows:

(1) Preliminary report and economic survey of the Louisiana Intracoastal Seaway.

(2) Engineering study of the Louisiana Intracoastal Seaway.

(3) Feasibility study of the Louisiana Intracoastal Seaway.

These studies were made by Waldemar S. Nelson Co. and published by the Louisiana Department of Public Works. One copy of each is submitted today.

The estimated cost of the project is \$458 million. Savings in property and lives in Hurricanes Audrey, Hilda, and Betsy would have already paid for this cost. If this project had been constructed before World War II, protection from German submarines would also have justified the cost.

Hurricanes are unpredictable. Just because we have had two recent ones does not mean that we will now have a respite. We must prepare immediately. Full cooperation from all agencies will enable this project to be accomplished in 10 years.

I would call your attention to the fact that the problem of hurricane protection is not new to our organizations. We have been working on this for several years. Our project has been carefully studied and designed by competent people to accomplish many objectives. We are ready to move forward.

We appreciate the opportunity to appear before you. Thank you.

(Studies and reports of Louisiana Coastal Seaway will be found in committee files.)

Mr. DRYDEN. Mr. Chairman, before Mr. Gray asked Mr. Shea that question, I had one other item I wanted to bring to your attention. We had talked about redtape, and Mr. Morrison has been so kind to talk about the quickness with which we reacted. I might tell him that on Saturday following the storm and on Sunday, I spent 4 or 5 hours in the White House with the President each day going over what was being done on this. By the time I talked to you on Monday, I knew it was quite urgent; and we had no problems in that area.

I might add that Colonel Bowen explained to you all that we are in effect using the Corps of Engineers as a disbursing agent for OEP in distributing the funds that come through Public Law 875; and I have been advised that a check to Mayor Rayburn J. Bertrand of

the city of Lafayette in the amount of \$31,231.36 was sent airmail special delivery to him today. This is 75 percent of the total estimate claimed for debris removal and beach and sanitation; and as the auditors complete the examination of the record, the other 25 percent will be immediately forthcoming.

In addition, a check was sent to Mayor Earl LeGros, mayor of the village of Parks, in the amount of \$287, which I think will be of particular interest to Mr. Morrison, because he and I have talked about these small amounts, and the need to get them paid as quickly as possible. Thank you.

Mr. GRAY. Mr. Chairman, I have one question of Mr. Shea. Several individuals, Mr. Shea, and organizations have propounded this question, and just for the clarification for the record, I am asking the question: Families who lack resources and have dire needs, but have no funds with which to take care of needed repairs, I wanted to ask this question: Can the Red Cross provide funds for repair and rebuilding of homes, replacement of needed household furnishing, such as clothing, food, medical or nursing care, and occupational supplies and equipment, can Red Cross help in those areas?

STATEMENT OF BOB SHEA, VICE PRESIDENT, AMERICAN NATIONAL RED CROSS

Mr. SHEA. The answer to that question is "Yes"; that is the purpose of our recovery program. We currently have received registrations and interviewed 19,250 families. To these families, we have given emergency assistance. We are now in the process of moving in to work with these families who have these recovery needs in the areas you outlined, to give them the assistance they need.

Mr. GRAY. I want to congratulate you on your fine work.

Mr. BOGGS. Mr. Chairman, just a minute. Before you leave, Mr. Shea, again I would like the record to show that the job that the Red Cross has done all through this hurricane stricken area is one that the whole Nation can be proud of. You know, there is an expression about man's inhumanity to man; but the Red Cross is a living example of man's humanity to man; and from the very beginning here, to me, it was the most edifying thing that I saw was what all of you did. I went to Red Cross Headquarters here early one morning, and I see the volunteers, the young people, boys and girls and all the rest of them, is something that I think should be recorded for all times; and I hope that when the results of this disaster have been totally erased, that there will live in the hearts of the people what your organization has done.

Mr. SHEA. Thank you so much.

Mr. WILLIS. I can't personally testify to the answer given by the gentleman to the question of Congressman Gray with respect to the type of assistance called for by the gentleman from Illinois. In that connection, I refer to quite extensive types of just such assistance that was given to the people in my district on Pecan Island during the time of Hurricane Audrey 5 or 6 years ago.

Mr. BOGGS. Mr. Chairman, one other thing. I wonder if, for the record, so we may have it as a permanent document, if you would provide the names of the people in this area who have directed most of those activities, including the many volunteers who came there?

Mr. SHEA. Yes, sir, and on that point, Congressman, this has been the greatest outpouring of volunteers in any single disaster area in the history of the organization. Ten thousand Louisianians turned out to help their neighbors with the Red Cross.

Mr. BOGGS. Really quite inspiring.

Mr. JONES. I recall the news story that they had done that within a 36-hour period.

Mr. SHEA. That's right.

Mr. JONES. Thank you very much. One of the refreshing things to find in every one of these disaster areas is the response, prompt response, of the Red Cross.

Mr. BOGGS. You might say also, Mr. Chairman, in that connection, we have had a great number of private organizations working here, civic groups, religious groups, volunteer groups. One of them called "Operation Cleanup," had many thousands of volunteers, including some of our business people, went and helped clean up these places, debris and filth. It's very inspiring.

(Material furnished by Mr. Shea follows:)

AMERICAN NATIONAL RED CROSS,
DISASTER HEADQUARTERS,
HURRICANE BETSY GULF COAST DR-309,
New Orleans, La., September 26, 1965.

HON. ROBERT E. JONES,

Chairman of special subcommittee, Committee on Public Works, House of Representatives, Washington, D.C.

DEAR MR. JONES: Following is a special report on Red Cross activities in the Hurricane Betsy relief operation, as of this date.

The Nation's concern for Hurricane Betsy's victims in south-central Louisiana tends to obscure its vicious earlier strike at southern Florida more than 24 hours before it raved ashore almost due south of New Orleans bringing death to 57 and almost unbelievable damage to public and private property.

Disaster specialists in southeastern area Red Cross headquarters in Atlanta went on a 24-hour alert on August 27, advising district headquarters at Miami, Orlando, Jacksonville, Savannah, Charleston, and New Bern to implement hurricane watch procedures.

By late August 28, when Betsy was building in intensity due west of Guadeloupe, more than 52 Red Cross disaster specialists were on station or en route to district headquarters.

On August 30, as the killer looped far out in the Atlantic, due north of Puerto Rico, 21 of the organization's new multipurpose vehicles, known as readiness and emergency action vans, began movement to points along the coast from New Bern, N.C., to Orlando, Fla.

By 5 p.m., September 1, the hurricane picked up speed and tracked a wavering course northwest. As more than 60 key disaster staff watched and waited tensely, Betsy again looped, changing direction from northeast to south-southwest. East of Nassau, the storm turned west, hitting the island's northern tip.

Miami and a surrounding five-county area took the full force of the storm during the early morning hours of September 7. Vans already deployed along the expected strike area further north were already in position, having moved south with the storm's altered course.

Although the Betsy's smash at Florida really can't be compared with catastrophic conditions in southern Louisiana, Red Cross expects to spend more than \$200,000 on emergency care and long-range family recovery needs in a five-county area in the State.

Red Cross damage surveys in southern Florida show 6,488 families affected. At least 3 persons were killed and 691 injured. Three homes were destroyed, along with 29 trailers. More than 4,300 were damaged.

Twenty-four Red Cross caseworkers are still in Florida working with families who cannot affect total recovery with their own resources. They will remain until each of these families are returned as nearly as possible to their predisaster way of life.

Betsy's movement from the tip of Florida is almost legend at this time. On September 8, she began to move due west, apparently headed for the Texas coast. Red Cross midwestern area headquarters in St. Louis opened district headquarters along the Texas coast, expecting a strike between Galveston and Brownsville. Key disaster teams moved into position all along the coast.

Unpredictable to the last, the hurricane again changed course and rammed ashore due south of New Orleans near midnight September 9. Red Cross staff from 10 southeastern and 16 Midwestern States poured in to assist an estimated 10,000 local volunteers during the next 3 days.

Disaster Recovery Director C. Ralph Barlow said his field headquarters in New Orleans now estimates more than 200,000 Louisiana, Mississippi, and Alabama families were directly affected by Betsy, with heaviest damage focused in and south of New Orleans.

The magnitude of hurricane damage to Louisiana and other Gulf States will rank it forever as one of the most destructive ever known.

Red Cross, Federal, State, parish, municipal governments, and military units met the challenge of the first hours following the hurricane with all the resources available. Gov. John J. McKeithen designated the Red Cross as the official disaster relief agency to deal with the problems of individuals and families affected by Hurricane Betsy.

More than 96,000 sought refuge in 287 Red Cross shelters opened in schools, military installations, churches, and other public buildings of all kinds. Frantic efforts kept basic food and shelter equipment moving to jammed facilities throughout September 10.

By early morning, September 11, help from outside reached torrential proportions. Air Force airlifts flew in Army field kitchens, personnel to man them, and the first of a mountain of needed supplies not immediately available in the disaster area.

Red Cross disaster specialists recruited from nearly every State were flown in, and September 14 shelter population stabilized at nearly 20,000, beginning a gradual downward turn. Today, shelters in the area house only 1,966 persons. Red Cross caseworkers are working 12- to 14-hour days to assist the families in moving into interim housing where return home is impossible. In cases where families can return to damaged homes, every effort is made to provide practical help to make this possible.

Latest Red Cross damage surveys show 1,233 homes destroyed; 26,969 with major damage; and 134,617 sustaining minor damage. Trailers destroyed or with major damage totaled more than 1,800. More than 1,700 farm buildings suffered the same fate, as did 2,000 small businesses and 1,200 commercial and pleasure boats.

These figures do not take into account shocking damage to public utilities, Government property, and private industrial holdings—estimated by other sources at nearly \$1 billion.

Even though damage to private and public property and people is tremendous, so is the relief and recovery effort being made in behalf of victims by all levels of government, Red Cross, and other public and private agencies, and concerned individuals.

During the emergency phase Red Cross provided food, clothing, shelter, and medical care to disaster victims. Red Cross is now following this with practical long-range recovery assistance to families, by providing household furnishings, building and repair of homes, and other needs. This summary of Red Cross activities in the disaster area presents a picture of activities thus far.

Since the storm's height, shelter population has dropped steadily—indicating relocation or return of victims to homes. Today only 1,966 remain in 5 shelters in southern Louisiana.

Twenty-one mobile feeding units have served more than 65,000 victims and emergency workers since September 9, and sufficient number will continue to do so as long as needed.

Sixty thousand victims and emergency workers were fed at fixed locations or in shelters since September 9. This will continue until no longer necessary. Today, 2,100 were fed from mobile, while another 7,675 were served at fixed locations.

Eighteen thousand two hundred and sixty-six families have received bulk Red Cross food and surplus commodities since September 9. This form of supplementary feeding for families will continue until no longer needed. More than 550,000 pounds of staple food has been provided victims so far, and more

than 4 million pounds of further surplus commodities are positioned or en route for use.

More than 20,000 families have already applied at strategically located Red Cross field registration points throughout the disaster area for long-range Red Cross recovery assistance which may include repair or rebuilding of homes, repair or replacement of essential household furnishings; replacement of occupational supplies and equipment when essential to a victim's continued livelihood; and medical treatment of disaster-caused injuries and illnesses. Assistance is a gift of the American people, provided through American Red Cross, with no payment expected or accepted. It is provided for families with disaster-caused needs who do not have resources to affect total recovery.

Five hundred and ten Red Cross staff have been on duty at one time or another during the emergency period. As estimated, 485 are still performing daily duties. Since September 9, staff and volunteer nurses have treated more than 10,700 minor injuries and illnesses. Emergency medical coverage will continue as long as necessary.

Five hundred Red Cross volunteers are still on duty today, as compared to more than 10,000 during the emergency period. Volunteer activity will continue as needed to supplement and support the work of disaster staff specialists.

More than \$3 million has already been spent on emergency care and recovery assistance to Hurricane Betsy's victims. Disaster Recovery Director C. Ralph Barlow estimates the total assistance may exceed \$5 million before victims return to their normal way of life.

Five hundred and forty-five thousand dollars has been contributed to Red Cross by generous Americans for use in assisting hurricane victims.

One million five hundred and ten thousand dollars in contributions of clothing, food, and other household necessities has been contributed by businesses, groups, and individuals across the Nation.

The Red Cross mission in Louisiana, Mississippi, and Florida will continue for many months, until the disaster-caused needs of families without resources to affect their own recovery are met.

ROBERT F. SHEA, *Vice President.*

THE AMERICAN NATIONAL RED CROSS,
Washington, D.C., October 11, 1965.

HON. ROBERT E. JONES,
Chairman of Special Subcommittee, Committee on Public Works, House of Representatives, Washington, D.C.

DEAR MR. JONES: In keeping with our promise to keep you informed as to progress of the American Red Cross disaster relief operations following Hurricane Betsy, I want to report that, as of today, 1 month after Betsy struck, the Red Cross has already expended over \$250,000 on assistance to hurricane victims in Florida and over \$7 million for help to families affected by Betsy in Louisiana and Mississippi. It is anticipated that Red Cross relief in the gulf coast area alone will total more than \$14 million, and that this effort to help those whose storm-caused needs are greater than their resources will rank as the third largest operation in the history of the American Red Cross disaster services.

In earlier reports, we indicated to you that more than 100,000 people had been sheltered by the Red Cross in Florida, Alabama, Mississippi, and Louisiana immediately before, during, and after the hurricane hit, and that 200,000 hurricane victims and emergency workers were fed at Red Cross feeding centers or from Red Cross mobile units. At this point such emergency operations have diminished to the point where only 700 persons are still being sheltered and 1,800 fed. The focus of Red Cross relief operations at this time is getting families back to normal living.

To accomplish this, the Red Cross works with individual families to assess their needs and resources and to provide the assistance that will bridge the gap between what a family can do for itself and the help it needs.

In Florida, the number of families needing help over and beyond emergency food, clothing, shelter, and medical care totals 776. Because damage to individual homes and their contents was lighter in Florida, Red Cross expenditures there will come to approximately \$350,000.

In the Louisiana gulf coast area the story is, of course, quite different. It is now estimated that at least 37,000 Louisiana-Mississippi families will require recovery assistance. The heaviest concentrations of need and, of course, Red Cross help, will be in Orleans, St. Bernard, Plaquemines, Lafourche, and Jefferson Parishes (the latter includes badly devastated Grand Isle).

Of the \$7,053,260 spent for relief to date, \$394,024 was for emergency mass care. Direct relief to individual families to date includes \$2,416,828 for food, clothing, and temporary maintenance, \$4,005,263 for replacement of essential household furnishings, \$43,735 for medical and nursing care, \$82,608 for replacement of lost occupational supplies and equipment, and \$110,802 for help with the building and repair of owner-occupied homes. Assistance plans and Red Cross grants have been completed for 7,464 of the hurricane-affected families; the others, especially those involving building and repair of homes, are yet to be completed.

You can be assured that Red Cross disaster staff and local chapter volunteers will remain on the job in the affected areas until all families needing Red Cross help have received that assistance. More than 800 Red Cross staff are assigned to the Louisiana-Mississippi gulf coast area; 29 to Florida. Among this staff, incidentally, were many loanees from local and State departments of public welfare who receive Red Cross training and on-the-job disaster experience under agreements with State departments of public welfare through which the Red Cross provides such experience and training to enhance the department's civil defense emergency welfare service capabilities.

This is, of course, an interim report. We will continue to keep you informed as to the progress of our relief operations resulting from Hurricane Betsy.

Sincerely,

ROBERT F. SHEA, *Vice President.*

Mr. JONES. Mr. T. T. Morrison.

Mr. BOGGS. J. J. Morrison.

STATEMENT OF J. J. MORRISON, OF NEW ORLEANS

Mr. JONES. Mr. Morrison, your name is J. J. Morrison?

Mr. MORRISON. Yes, sir; that is correct.

Mr. JONES. You may proceed.

Mr. MORRISON. Mr. Chairman, members of the Louisiana delegation. I understand that your function here is to determine what the Federal Government should do in connection with a disaster of this sort, what type of legislation may be appropriate or what type of action may be appropriate under the circumstances.

I wish to address myself only to one phase of the damage here, and that is the damage suffered by the some 100,000 people from sea water that inundated a portion of the city of New Orleans and St. Bernard Parish. It seems apparent to many of us here that one of the great contributing causes to the damage that was suffered there was construction of the seaway which was the principal responsibility of the U.S. Government; and in connection with that construction, the inadequacy of the levee system that was provided for the protection of these low-lying areas. The fact that the inadequacy of that system was fully known, fully appreciated, and the consequences of it were understood; and yet the levee system was permitted to be and remain inadequate. I think that there is a definite responsibility upon the part of the U.S. Government in connection with that condition that was permitted to exist, which had flooded out, made homeless, fifty or a hundred thousand people in the city. I believe that it would be proper for the Congress to undertake an investigation to determine if there is any contributing cause on their part in the construction of the seaway.

Mr. JONES. Mr. Morrison, I think the indictment might lie against the Congress, so that's going to—we would be investigating ourselves.

Mr. MORRISON. I don't believe it is an indictment at all, sir; I think it is something that occurred—

Mr. JONES. All of these things are indictments against us, because when we get into water resource development, Mr. Morrison, we

get into a tremendous cost operation and to spread the limited amount of money that we deal with annually apportion it throughout the entire United States, we are not doing the substantial job that needs to be done. Like it's hard to tell an irrigation system when it's raining; it's hard to forewarn people to dig out of their pockets the amount of money that's going to be necessary to make a continuing orderly, wise water development program in this area, and the sensibilities of the people are not awakened to either their drought or flood or hurricane or some catastrophe which will excite them to realize their problems; but we certainly will take into account and examine the problem that you describe. We have it in the southwest part of the country, an extremely difficult problem. We have a belt of the country from the Panhandle of west Texas up through the Canadian border. The problem of salinity is one we have been dealing with for a number of years trying to find out just what scheme of development we could use to arrest the problem.

Mr. MORRISON. I would like to suggest it would see proper the Congress should investigate and determine whether there was any responsibility for this damage by reason of the construction of the seaway of failing to provide sufficient levee protection; and that should Congress determine that there was any responsibility in that connection, that these people who have lost their entire resources and entire livelihood should be compensated.

Mr. JONES. I see your point. Certainly it's one that's well taken. I assure you that we will examine it.

Mr. MORRISON. Thank you.

Mr. JONES. Thank you, Mr. Morrison. We are pleased to have you before the committee.

Mr. WALKER. I would just like to make this observation, Mr. Chairman, on behalf of the minority members on the Committee of Public Works; I would like to say I have been most impressed here today, and I certainly will carry this message back to the other members.

I would like to make one other observation. Mr. Glazier, who was speaking for the State of Mississippi a while ago left—had to leave because of transportation; and he let the Governor of Louisiana have part of his time. He would like to include in the records some material that he has and he has included in some material that was left here.

Mr. JONES. Without objection, the statement will be received and printed in the record at the point at which he testified.

The chairman of the committee has already propounded the unanimous consent for the request he receive statements up to 5 days. If there is anyone who would like to submit a statement to the committee, it will be included and incorporated in the hearings that we have held today.

Mr. JOHNSON. I just wanted to make one observation too, and the observation is after hearing all of the witnesses before this committee this morning and this afternoon, I am certainly pleased to learn of the great cooperation on the part of the Federal agencies. We had a similar disaster in California in December and January; and the agencies performed a real service to our people; and we are digging out from under that 9 months now, we are getting back on our feet pretty well; and I wanted to commend all of the Federal agency people who have cooperated so well with the State and local private

enterprise here in getting this area back on its feet in the mere 2 weeks that you have had. I was surprised coming here to find that things had been restored, and you are actually operating very well in many areas of this disaster area that was hit by this terrific hurricane. Mr. Chairman, I want to say as a member of the Public Works Committee and a member who is very much interested in the Pacific Northwest emergency legislation; I want to lend my talents here with your great Louisiana delegation in trying to resolve a piece of legislation that will pass the House and offer emergency treatment to the people of Louisiana.

Mr. Boggs. Mr. Chairman, before you conclude, I would like to thank all the members of the committee, particularly the staff people headed by Mr. Sullivan, for all the work that had to be done to put this inquiry together and in a very short period of time.

I am glad that someone noted that the committee is working on Saturdays and Sundays in order to get this information, as quickly as possible, before the adjournment of Congress; also, the work done by Mr. Leon Gary who has been our State coordinator here. I don't know whether Leon has left or not, but he has done a wonderful job; and in arranging the facilities here, which was not easy, the sound system and the reporters and everybody else. Mr. Louis Gay was very helpful indeed; and I would like to thank, and I would like to thank all of them.

Mr. JONES. Thank you. On behalf of the committee, we would not leave this hearing without making some expression of appreciation to all of the witnesses who have been most cooperative and have supplied the committee with very valuable and pertinent information the committee must have in resolving some course of action.

We have been indeed fortunate to have the attendance today of the members of the Louisiana delegation. Their keen interest, their earnest efforts in behalf of the problems that have arisen as a result of this hurricane has been one that's been unrelenting as far as they are concerned, and have dedicated themselves totally to the proposition of doing what they thought was to the advantage of the people of Louisiana. To all of you, we thank you for permitting us to come to New Orleans. The committee will now stand adjourned until 9 o'clock tomorrow morning.

STATEMENT OF CLAYTON NAIRNE, BOARD OF COMMISSIONERS OF AUDUBON PARK

Mr. NAIRNE. Could I make one comment before you adjourn, Mr. Chairman?

Mr. JONES. Yes, sir. Will you identify yourself?

Mr. NAIRNE. My name is Clayton Nairne. I am a member of the Board of Commissioners of the Audubon Park.

Mr. BOGGS. Mr. Nairne is also president of the chamber of commerce.

Mr. NAIRNE. I am appearing at the request of the commissioners of Audubon Park, which has suffered very severe damage; and in fact, the park is not open as yet; they are still in the process of restoration; and there will be a report made to you gentlemen here on the damage of the park within the 5 days; and we would very much appreciate any consideration.

Mr. BOGGS. I might say to you, Mr. Nairne, under the authority of OEP, Audubon Park being a public agency, is entitled to compensation like these other public agencies.

Mr. NAIRNE. Thank you very much.

(The report follows:)

SEPTEMBER 29, 1965.

HON. ROBERT E. JONES,

Congressman, State of Alabama, Chairman of the Flood Control Subcommittee of the Committee on Public Works of the House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Audubon Park is a State owned and municipally operated area, comprising approximately 365 acres, in uptown New Orleans. The affairs of the park are administered by a board of 24 businessmen and civic leaders of the community.

We come to you and through you to the members of your committee for help, aid, and assistance in the reclamation and restoration of Audubon Park which has been left a jungle by the destructive Hurricane Betsy. We feel that the entire park will be cleared of debris and restored as best it can through the regular assistance of the Corps of Engineers and our city government. However, we are seriously concerned about the future of our 40-acre tract of batture land abutting the Mississippi River. We were told that our devout hope to develop the Audubon Park batture to provide an overlook of the river, camping, and game areas for scouts and others, and picnicking and barbecuing facilities is a worthy venture consistent with the recreational policy of the present administration. Further, we were informed that the U.S. Corps of Engineers completed a study and prepared a report on the potential and feasibility of establishing access and recreational areas on the Mississippi River from Alton, Ill., to New Orleans. While the study primarily contemplates development of Government-owned lands along the river, some few State and municipally owned areas were included. Audubon Park is one of these.

Because of the tremendous amount of debris left along the destructive path of Hurricane Betsy, it became necessary to open for use the above referred to 40 acres of Audubon Park batture for the dumping of the debris and so forth, gathered by the department of sanitation, department of streets, parks and parkway commission, private contractors engaged by the Corps of Engineers, privately owned vehicles and Audubon Park's own trucks. Well do we realize that this is an emergency operation and we are pleased that this area is serving a tremendous necessity in our city's cleanup and restoration period. Our principal concern at the moment is what steps should we take in order to gain assurance that after the cleanup is over our batture land with its glorious potential will be placed in proper physical condition to permit us to pursue our program of beautification. We are doing everything in our power to prevent this area from becoming a health hazard but we must anticipate that a tremendous cleanup operation will be required at some time in the near future and we will need additional funds to rehabilitate this area. Will the Federal Government provide these funds?

We must appeal to you, honorable sir, for the full extent of the authority at your command to assist in the restoration of Audubon Park batture (40 acres), after the cleanup is over.

Your cooperation and interest in our behalf are much appreciated.

Respectfully,

AUDUBON PARK COMMISSION,
WM. R. POHLMANN, *Secretary*.

Mr. JONES. The committee will stand adjourned.

HURRICANE BETSY DISASTER OF SEPTEMBER 1965

SUNDAY, SEPTEMBER 26, 1965

SPECIAL SUBCOMMITTEE ON HURRICANE BETSY DISASTER
OF THE COMMITTEE ON PUBLIC WORKS,
Baton Rouge, La.

A subcommittee of the Committee on House Flood Control met at 10 a.m. in the State highway department, Hon. Robert E. Jones (chairman) presiding.

Mr. JONES. The meeting will come to order.

My name is Robert E. Jones and I am chairman of the Subcommittee of Public Works to conduct the hearing today.

I am a Congressman from the State of Alabama and a member of the Public Works Committee of the House of Representatives.

The Committee on Public Works has under its jurisdiction such programs as rivers and harbors, flood control, highways, watersheds, and public buildings. We are the committee of the Congress that has the basic jurisdiction over the problems confronting the area affected by Hurricane Betsy today. This is why I am here, along with my colleagues of the committee, as well as the distinguished group of Members of Congress from Louisiana, and the gentleman from Mississippi, representing the Republican members of the committee.

I have been designated by the Honorable George Fallon, chairman of the Committee on Public Works, as chairman of a special subcommittee to investigate and report on the New Orleans, Baton Rouge, La., hurricane area.

I would like to introduce other members of the subcommittee: Kenneth Gray, of Illinois; Harold Johnson, of California; Bryan Dorn, of South Carolina; Ray Roberts, of Texas; Robert Everett, of Tennessee; Jim Kee, of West Virginia; Robert Schmidhauser, of Iowa; James Howard, of New Jersey; along with Prentiss Walker, of Mississippi; representing the Republican members of the committee, as well as your distinguished delegation; Mr. Hébert, of New Orleans; Senator Long—I don't think the Senator has been with us—James Morrison, our host today and who has provided the accommodations for our being here; the distinguished majority with Hale Boggs and Speedy Long; and, of course, our Chief Justice, Mr. Willis.

All of these gentlemen are experienced in the problems that you in this area have undergone, and we are most sympathetic to the experiences you have suffered in the loss of life and the loss of property.

It is our responsibilities as Representatives in the Congress and as members of the Public Works Committee to be here today. We intend to do all we can to be helpful to you. We hope, through our efforts in Washington and your untiring efforts here in this part of the country, to rehabilitate and to restore all that the hurricane has de-

stroyed. We know that you have already started the task and Washington has begun to help you.

As a result of this trip, we hope to bring about further Federal assistance to the region. I have mentioned the Members of Congress who are with me, and I would like to state that due to the magnitude of the problem that this area of the country faces, we have also brought with us staff members of the Committee of Public Works along with the representatives of the Federal agencies who have a direct responsibility for helping to solve the problems that the floods have created.

I will now introduce Mr. Morrison.

Mr. MORRISON. Mr. Chairman and members of the committee and other colleagues from Washington, D.C., I want to take this opportunity as a Congressman from this great district and city to welcome you here, to express on behalf of the people of the Sixth District and the State of Louisiana our sincere and heartfelt appreciation for what this committee has done in coming down here to Louisiana, holding hearings yesterday in the great city of New Orleans and now coming to the capitol of the State and holding hearings here in Baton Rouge.

I assure you that all of the people thank you, Mr. Chairman, and other members of this committee from the bottom of our hearts.

Mr. JONES. Thank you very much.

As I announced yesterday in our hearings at New Orleans, we are to conduct these hearings as informally as we possibly can.

We have with us today principals of the Federal agencies that are involved. I would like to have them stand, and, if you have any questions that you want to direct to them, they are available here for that very specific purpose, not only to examine the damages that have been caused by the hurricane but to give effective relief through the proper laws that they administer.

We have with us Mr. Sullivan, chief counsel of the committee; Mr. Frank Dryden, Deputy Director of the Office of Emergency Planning; Mr. Robert Phillips and Mr. Thomas Boggs, a special assistant. And we have Maj. Gen. Jackson Graham of the Corps of Engineers; Major General Davis, Division Engineer of Vicksburg, lower Mississippi Valley; and Mr. Angus MacRae and Col. Thomas Bowen; Mr. Frank Turner of the Bureau of Public Roads.

We have with the Department of Agriculture, Mr. Frost, Director of Emergency Loans, Mr. Clarence Parker, Mr. J. S. Smith, and Mr. W. O. Holley, all representing the Department of Agriculture in their various activities.

We have representatives of the Small Business Administration, Mr. Ross Davis and Mr. Hal Galloway; the Maritime Commission, Mr. Donald Allen, Administrator who represents the ports; Dr. James Hundley, a representative of the Public Health Service.

From the Housing and Home Finance Agency, Mr. Semer, Mr. Still and Mr. Collins; and of the American Red Cross, Mr. Robert Shea.

Those gentlemen are here and will be glad to assist and discuss with you any particular problems that you think would rest in their jurisdiction.

This is the sixth hearing of this nature that we have held since January of this year. We, of the committee, feel a keen sense of duty and responsibility to hold these hearings in order that we can have firsthand knowledge, not only the physical aspects but to engage in

your thinking and share your hopes and aspirations as to what we might do to be helpful to you in this hour of great distress.

The hearings have been held in the Pacific Northwest; we passed a relief bill for that area. The entire area was devastated in the approximate amount of \$462 million.

We held hearings in Oklahoma and in Denver. We have been on the go and, as you well know, our concern is so great that we are meeting here on Sunday.

We have just concluded and the Public Works Committee reported to the House and passed the House on Wednesday of this week a bill authorizing projects in Louisiana, including the lower Mississippi, of \$252,561,000. Included were some seven projects. Two of those projects included the Hurricane Protection I.

The first was the Pontchartrain project at a cost of almost \$57 million. It was foresight on the part of the people of Louisiana and their representatives to bring to the attention of the committee the need of that project which we considered some 5 weeks ago.

We had three hurricane projects that were authorized, but the important thing for us today, those are long-range plans, the execution of which will take considerable time; however, they are needed, worthy projects. The ratio of cost-benefit on the Pontchartrain project was 17 to 1, demonstrating the benefits that would be derived from that project.

Yesterday, the Governor discussed the Federal responsibilities, and I couldn't help but recall that in the Polk administration in 1848, in the Internal Improvement Acts, we provided for the navigation of the Mississippi River, and since that time there has been no question as to the Federal role in the development and the use of the Mississippi River and its tributaries.

So we don't face that question. The question is Are we going to make wise and proper management of this today? Are we going to arrest the floods and plague the droughts that are going to occur?

But we are here interested in finding out what the Federal Government can do and move in the proper season to see that relief is forthcoming.

We will have as our first witness this morning, your distinguished Governor, Governor McKeithen.

STATEMENT OF GOV. JOHN J. McKEITHEN, OF LOUISIANA—Resumed

Governor McKEITHEN. Mr. Chairman and members of the committee, I am here again with you this morning as I was yesterday in New Orleans. I believe in the meantime you have been furnished a copy of my prepared statement, which I think we all agree was perhaps too lengthy for me to read to the committee, but I believe copies have been furnished to each member. If they have not, we have extra copies here to be given to you, which, I say, if I read it, it would take me a long time and perhaps it would be much better as we agreed yesterday that it be placed in the record.

(See detailed statement of Governor McKeithen, New Orleans hearings, p. 29.)

There is not a great deal that I can add to what I said yesterday except here in this Baton Rouge area, that is where we are today—

Mr. JONES. Let me interrupt, if you will. Let me state to the press that the rules of the House prohibit the taking of pictures during the course of the hearing.

I am going to be as accommodating as I possibly can. If the press wants to take pictures, then the Chair can recess for a sufficient time to get pictures and photographs. I hope that the press will refrain from taking pictures during the course of our hearing.

Governor McKEITHEN. One thing that I would like to point out, in my prepared statement we gave the population of the 22 southern parishes which were affected and felt the disastrous effects of this storm. We showed that approximately two-thirds of our people lived in that area, two-thirds of the people of this State, although there are actually 64 parishes. You, of course, know that we call them parishes in Louisiana; you call them counties. There are actually 64 parishes in our State. Twenty-two parishes felt the disastrous effect of this storm and almost two-thirds of our people live in these 22 parishes.

One thing I wanted to point out there is about the value of property placed. The values that we have there were from our tax assessment rolls. All of us in this State know, of course, perhaps it is true in your own States, that that is not a true picture of the actual value of the property involved.

Most of our property in Louisiana is valued at a very minute or assessed at a very minute percentage of its actual value, something that we have allowed to occur over the past many, many years. We are in the process, a very gradual process and slow process, of attempting to bring about in our State now a more equalling of tax assessments; but I wanted to point that out specifically to you, and the value that we gave on property in these 22 parishes, we took from the assessment rolls, of course, which I am sure you realize it not by any stretch of the imagination a true picture of the value there.

As I say, I don't have a great deal to add to what I said yesterday except to stress to you once again the importance, I say, not only of the metropolitan area of New Orleans, but our entire southern region of our State, where I pointed out, as I say, two-thirds of our people live, and where the great wealth of our State actually exists.

It is just as important, we feel, to give this area protection as it is in any other area in the State because if this storm had struck the St. Mary or the Lafourche area, down in there, if the flooding or any part of the storm had struck there, it would have been complete devastation. At least it would have been equal or perhaps even greater than the devastation that we have in the metropolitan area where the flooding actually occurred.

We would, I say, entreat with you gentlemen again when you go into formulating your plans for recommendations that you might propose to make to the Congress as a whole that you will realize—well, the metropolitan area is the critical area now because it was the area that suffered the tremendous loss; that next time it perhaps probably will not be the metropolitan area, it will be some other area of our State. So we want, as I say, to stress and entreat with you to bear that in mind, if and when this committee makes recommendations to Congress.

As I say again, the statement that I filed with you yesterday is about as comprehensive as we could prepare it with the time we have and

our inability to actually assess the damages which yet have not been made known to us; and other than that, I don't have anything to add to the statement that I made yesterday.

We have people here that I am sure you will want to hear this morning, who represent the part of our State that we call south Louisiana, our coastal regions. They are here as witnesses of the tremendous spirit of those people. They are not here begging for alms; they are here as loyal citizens of this country in presenting to you the problems that they have and, as part of this great Union of ours, to entreat with the rest of this Nation to come to our help because it is impossible for us in this single State to raise the necessary financing and construct the necessary programs that will be required to protect us here in Louisiana.

Mr. JONES. Thank you very much, Governor. As I stated to you yesterday, the reports that I have received from every agency—the Federal Government has been involved in the entire commencement of the situation—has been one entirely favorable to the State, their cooperative spirit and the assistance that every State agency has given.

I think it is refreshing to know that State agencies and Federal activities can be mixed together and a spirit of cooperative effort can be made.

Once again, it proves to me that the States and the Federal Government do work together.

Governor McKEITHEN. Thank you, Mr. Chairman. I will say again for the benefit of not only this committee, but for those who were not at our meeting in New Orleans, I want to express in behalf of our State and all the people in it our gratitude for the assistance that the Federal Government has given us: The prominence of the President coming here immediately himself; the attitude that you men have demonstrated here; your interest and your concern by coming here yourselves to see and hear of what has happened here and to help us formulate plans that might prevent the great part of it from happening again.

As I say, our hearts overflow, and I will attempt to express our gratitude to the Federal Government, to our Union, to the many agencies which I named yesterday who have cooperated with us so enthusiastically and so generously, and I say it makes us even prouder to be a part of this great Nation of ours, which, thank God, is still the greatest nation on the face of the earth.

Here in Louisiana, contrary to what you might have read in some of the eastern papers—I did not say all of them but some of them—we are proud of this great country of ours. We are proud to be part of this Nation and this Union. We are proud of the great part that we play in making it great. We want you to know that.

As I say, as I said yesterday, we have our differences as you have your differences in the Congress, and the States fuss with the Federal Government; but when one part of this great family of nations or States of our gets in trouble, it demonstrates a true Americanism that all of them cling together when one is in trouble. We fuss among ourselves. We will say some ugly things in the heat of political combat and battle, but when one part of our people gets in trouble this tragedy demonstrates that we all come together for help. I say it is a great, great example of Americanism, and we are proud of the part

that our State has played in it and we are so thankful that the rest of this Nation, exemplified by this committee and this great Union of ours, has demonstrated that they feel the same way.

I will be glad to answer any questions that any member of the committee might like to ask me that was not asked yesterday.

Mr. JONES. Are there any questions?

Mr. GRAY. Mr. Chairman, I have no questions, but I would like to say that as a sixth-term Member of Congress that I have attended a lot of disaster hearings. The most recent one before the New Orleans hearing was out in Denver where they had a half billion dollar damage, and I have never seen a congressional delegation or Governor work harder for their people than the Louisiana delegation and the Governor who is present before our committee.

I want to again recommend you and the entire Louisiana delegation for the forthright manner in which you people have dug into these problems, and I certainly want to publicly commend you for it.

If I may ask you one question I asked yesterday, is it not your feeling that we do need some type of a national disaster insurance program to relieve these people that even with our strong arm the Federal Government will not be able to reach in this type of disaster?

Governor McKEITHEN. I think there's no question, but it has been demonstrated and I am one of those who feel that the Federal Government should not be in any type of insurance or business when it can be done privately. It has been demonstrated in this State that this is something beyond the realm and the possibilities of private enterprise.

Not only is it impossible for the man in the area that may be flooded to pay the premiums, but the insurance companies themselves cannot afford it. So we are not going into the field here, as I say, that the insurance can say "Leave that alone; that's for me" apparently because they don't want it and have not attempted to write it.

I am sure if they did go into it, the premium would no doubt be so high that the ordinary householder could not pay it if he could get it. I think in cases like that then, we must turn, as I say, to our great Union, our Federal Government, for help in matters such as this. This is in defending our country. When we all get together, we defend it pretty well.

If one segment or one group of one State attempted to undertake it and defend it all, we, of course, couldn't have defended it. I think certainly that even those who feel the strongest about private enterprise would immediately agree that that is one field where private enterprise doesn't want to have anything to do with it. So here we are. I agree with this, sir, and I believe I gathered from our congressional delegation, those who are on this committee that were present yesterday, that you certainly have support from our delegation.

Mr. JONES. I might say that my views are certainly similar to yours.

Governor McKEITHEN. Yes, sir. I would like to call your attention to those two pages that I talked about the assessed valuation of the property that was in the potential disaster area, that is in the disaster area now and potential disaster in the future. The assessed property values in this region are given on page 28, and I would just like to point out to you again the assessed valuation of \$2.8 billion. I won't say here what percentage we assess these properties because it would be embarrassing to all of us and you, too; but I assure you

that it is a very minute—as a matter of fact, we found some property that was assessed, and I asked the tax commissioner not to raise anyone's assessment more than 10 percent in 1 year. They said, "Well, how are you going to take 10 percent of nothing?" I am sure this is not a problem peculiar to Louisiana. It is a problem that is peculiar to our entire country.

I want to point that out to you because those figures are so completely misleading. The reason why, Mr. Chairman, is you had brought this ratio business up, and, if it is necessary, of course, we can get a much more comprehensive valuation of this property here. We will have to go, I say, to a different source in the tax rolls, but that was the immediate source that was available and so we used it; but we will get a much better source for you than that, sir.

Mr. JONES. Any further questions?

(No response.)

Mr. JONES. Thank you very much, Governor.

Mr. BOGGS. I would just like to reiterate what I said at New Orleans yesterday. I have been with the Governor a great deal since the disaster in our State. It hit somewhat harder in my part than it did in any other parts, and the Governor has been a tremendous help to the people of our State. I would just like to state that again for the record and the people working with him, Leon Gary, and all the rest of them. Governor, we are very grateful to you.

Governor McKEITHEN. Thank you very much, Congressman Boggs. Is that all gentlemen? Thank you very much.

Mr. JONES. One of the outstanding Members of Congress, and I mean an outstanding Member of the Congress, that we have is a Representative from Louisiana who has distinguished himself, who is known as one of the hardest workers ever to serve in Congress, and you have been indeed fortunate to have a man of his capabilities and his perception and his untiring will to serve his district and his State, and who has brought national recognition not only to himself but to the people that he represents, my warm friend, my distinguished leader, Jimmy Morrison.

Mr. MORRISON. Thank you, Mr. Chairman. My distinguished colleagues, members of this committee and all of you people who have come from so many miles away here in Baton Rouge to the Sixth District, I certainly want to express my appreciation for your wonderful help and cooperation in this hearing today.

You know in this Nation's history I guess we can look back and assume that perhaps the three greatest catastrophes that we have ever had in this Nation of ours that did the most damage and were the greatest catastrophes were the San Francisco earthquake, the Chicago fire, and I guess Hurricane Betsy comes in as the third one.

I don't believe there has ever been a hurricane that has hit any part of this hemisphere with the velocity of wind and the devastation that this hurricane hit Louisiana.

I was in Washington along with my other colleagues from Louisiana when that hurricane hit and the next morning we tried as best we could to get in communication with Louisiana. As a matter of fact, I tried that night around 1 o'clock and there was no way that you could even get any communications at all with Louisiana.

The next morning, when we got to the Nation's Capitol, all our Members of the Louisiana delegation were in constant touch with each other, were in constant touch with the White House, requesting and doing everything that we could to ask the President if it was humanly possible, realizing the many responsibilities and the graveness of those responsibilities with the war in Vietnam and other things that you might say from a global standpoint that were requiring so much of his time, if he would, to consider coming down and taking a firsthand view of the hurricane damage in Louisiana. In turn, all of us were getting in touch with the various departments and urging them to do everything possible to set in motion everything that could possibly be done to aid our State.

Well, that afternoon at about 4 o'clock from the Nation's Capital, we set out from the White House by helicopter to go to Andrews Air Base and from there came to New Orleans on the Presidential plane with just about every department head that the President could get lined up on that short a notice. Some of the department heads had their executives in different parts of the country and in some parts of the world. On that plane was Gov. Buford Ellington, who is head of the Office of Emergency Planning; Orville Freeman, Secretary of Agriculture; Eugene Foley, who was just leaving the Small Business Administration; Rex Whitton, the Director of the Bureau of Public Roads, and many other officials including various generals, admirals, and all others that the President thought could come down here and be of help in this grave emergency.

As we left from Washington, we tried our best to get in touch, from the Presidential plane, with the Governor, and the Governor—I think, as we realize in this great State, we've had some wonderful Governors, Governors who have done some magnificent jobs, but I know of no Governor that ever did a more magnificent job than Gov. John J. McKeithen did on this occasion. It was certainly one of the greatest hours of any Governor in our entire history of this great State of ours. While the President and others were trying to locate the Governor of Louisiana by telephone, the Governor was already out in a plane going over the State and getting a firsthand view of just exactly what was going on as far as what the damage was that Hurricane Betsy had left. It was actually impossible for any communications to get to the Governor to meet us in New Orleans.

The President had planned to go to New Orleans and then come to Baton Rouge. When we got to New Orleans, our congressional delegation, Congressman Willis, Congressman Boggs, Congressman Waggoner, Congressman Passman—I think Congressman Speedy Long was already in Louisiana and Congressman Hébert likewise was in Louisiana—Senator Ellender and Senator Long were on the plane.

We discussed at length the many things that were involved as far as this devastating damage that this hurricane had rendered to Louisiana. Even though in our realization of what the hurricane would do to Louisiana and trying to imagine what it would do, we still had no idea of the tremendous damage that this hurricane had done until we hit New Orleans and flying over New Orleans, seeing many thousands of homes with 8 feet of water, just seeing the rooftops. Plenty of times you would see people on top of those roofs waiting for somebody to come get them, and the devastation at least is almost indescribable.

We went through the city as best we could. There was debris everywhere. We had to weave in and out, and we went down Canal Street. We went to the industrial canal. The President looked over and saw all of these flooded houses. He went up in the school, I think, that handled about 300 people in complete darkness with very little—only about four FBI men could be secured through the limited communications and with the limited Secret Service men that he had with him, he went up in the school practically without any protection with a flashlight to talk and see these people who hadn't anything to drink in the way of water, didn't have anything to eat in the way of food, and he was amazed at their spirit. He was amazed at their feeling. He did not have to do a lot of the things that he did. I think, there again, that was one of his finest hours when he took the tremendous amount of time and effort and energy and assumed the risk that he did to see firsthand the damage that had happened there in our great city of New Orleans.

Upon returning to the airport, the President got in touch by telephone with Mayor Woody Dumas, of Baton Rouge. He likewise got in touch with the Governor by that time, and he wanted very much and would have come to Baton Rouge but unfortunately the lights were not of sufficient strength to allow the Presidential plane to come in and that was ruled out. So he had to forgo coming into Baton Rouge that night even though he wanted to come in.

As he left New Orleans, standing on the steps before the plane left, he told all the newspaper people and the Congressmen there, he said, "We want to cut all the redtape; we want to do everything to help the people of this great State get back on their feet," and he said, "I am leaving four of my top men here."

I don't think those four top men quite expected to be left in New Orleans there. Mr. Bob Phillips of the Office of Emergency Planning who was told to get off the plane, not only didn't he have any clothes, but he didn't even have a toothbrush; he didn't even know where he was going to stay. I think it was something like 16 hours before he got anything to eat or even a drink of water, but the President said, "Put that in motion and put it into motion fast."

The road between New Orleans and Hammond was blocked. I was anxious to get home; my wife and son were there and went through the hurricane. I had no idea of what the damage was to my home and my hometown and naturally I certainly wanted to get there as quickly as I could. The communications were impossible. As a matter of fact, New Orleans and Baton Rouge were as helpless a city from a communication standpoint as if an atomic bomb had hit each city because there were absolutely no communications, there was very little electricity on, and the only communication that you could get were through two sources; and that wasn't everywhere. That was through the State police, who did a magnificent job in so many ways, and particularly from a communication standpoint. The other was to call a tower at the Baton Rouge airport. The only way that you could call the tower at the Baton Rouge airport was to get in the tower of the New Orleans airport and call the Houston airport and call that tower and in turn come back to Baton Rouge.

The Governor was kind enough to send a plane to pick me up in New Orleans. The road was closed from New Orleans to Hammond

and the railroad there had something like 12 miles of railroad; that is the Illinois Central from New Orleans to Chicago. Fourteen bridges were out, 12 miles of railroad were washed out, the trains had not come any farther than Hammond and turned around and gone back to Chicago. The Governor was kind enough to send a plane to pick me up at the New Orleans airport. We came to Hammond. All the lights were out. It was impossible to find the airport. We circled around where we thought the airport was and by chance Raymond Schaffer, who was seeing about our auxiliary generator out there, heard us circle and so he came out on the airport strip. He started down one direction and we came in behind him and landed there, and he took me to my home.

In the meantime, the President had assured Mayor Woody Dumas that everything would be done as far as the U.S. Government was concerned and he had assured the Governor, and I talked to Mayor Woody Dumas, and we thought that the best thing to do would be to have a meeting at the Governor's Mansion at the Governor's invitation at 10 o'clock on Saturday.

I spoke of the President's finest hour and I spoke of the Governor's finest hour and I'll tell you, it was Mayor Woody Dumas' finest hour when this hurricane came, with the damage and the fear and shock that it brought, and at the Governor's Mansion we met and we discussed ways and efforts. Leon Gary was there, other State Department officials were there, and we went into detail exactly what we thought was necessary to be done to all work and coordinate together, to do everything possible to get our section of this great Nation of ours back on its feet as quickly as possible.

Well, Senator Russell Long was there. He left with the Governor and they were going to Grand Isle and make other inspections, and I thought the best thing for me to do was to get around and tour the Sixth District and try to assess with my own eyes and see just exactly what the damage of the hurricane was. We went, first, that afternoon and we made a survey of Baton Rouge as best we could. We went across the river and went down to Donaldsonville where they had no electricity. They couldn't even get gasoline out of the filling station pumps there without an auxiliary electric system, of which there were very few. The wind damage was great and it was great on all the, you might say, west side of the Mississippi River as well as in Baton Rouge.

That night I went back to my home in Hammond, and I conferred with as many people as I could get in touch with. That Sunday morning at 11 o'clock, the President of the United States called me at my home in Hammond and the President told me, he said, "Jimmy, we are sending the entire 4th Army into Louisiana." He said, "I think they will be able to feed something like 50,000 people or even more. They have already started landing at the airport, Moisant Airport in New Orleans, with these flying boxcars." He said, "I want you to tell the people of the Sixth District in the State of Louisiana, as far as the President is concerned, that we want to do everything possible, humanly possible that we can, to assist in every way to help your people at this tragic hour that you are experiencing. I want you to know this, and I want you to tell me any way that our departments can help. I put in motion a plan that is going to give them the quickest possible

relief. I am doing everything I can, and I want you to constantly report to me if you think there is anything more than the U.S. Government can do."

Later that day I went over the rest of the district as best I could and I saw the very tragic damage that the windstorm had done, or that the hurricane had done. There was hardly a roof that I saw that wasn't damaged. There was hardly a building anywhere that I saw that wasn't damaged. The loss of timber was tremendous. Large trees and pulpwood and saw logs had been blown to the ground. The debris was everywhere. I believe when we realize how great our people are, perhaps we don't realize really how great they are until a catastrophe of this size, momentous size, hits because everywhere I went, I would see people of all ages, children, grown people, elderly people, out there cleaning up, doing the best they could up on top of their roofs, patching their roofs so that the rains that would follow would not damage their homes any more. Perhaps the people that help the most in a catastrophe like this are the people themselves who get out there without any direction or supervision and do everything they can to help themselves at that particular time, and it was certainly I think our people's finest hour.

So with something like \$7 million worth of timber that is down on the ground and pulpwood that after next March will be completely worthless, I think the damage to our farms is tremendous. I think the hearings in New Orleans brought out so much that these members of this special committee which has special jurisdiction over such catastrophes, I think with that meeting there and this meeting here and with the witnesses that testified down there and the witnesses that are going to testify here today, I think certainly we can show them and give to them an overall picture. They saw a great deal of the devastation themselves by helicopter as we landed in the city of New Orleans when they first arrived here in Louisiana.

I might say I think that we are blessed and we are fortunate in having the sympathetic understanding and the sympathetic feeling of these Members of Congress and our distinguished chairman here because I don't believe anyone of us realizes, and I'm sure you all know, like perhaps we do in Washington, just what the great demands are at this time on every Congressman from his own district and his own State and his own responsibility at this time.

To you, Mr. Chairman, and members of your committee, to come down here and work on Saturday and work on Sunday, to understand and hear and see our terrible problems, perhaps we owe you a debt of gratitude that we can never pay.

You know, Mr. Chairman, this is not the first time I've ever come to you with disaster. I came to you with a personal disaster not too long ago, and, I'll tell you, it was really, as far as I am concerned, ranked with the greatest of disasters. I said, "Now, Mr. Chairman, I need some help. This is going to be a terrible disaster for Jimmy Morrison if you don't help me, and I really need it, and I'm begging and I'm pleading, and I'm doing everything I can to tell you how terrible it is and what a great disaster that I am faced with personally." "Well," he said, "what is that?" I said, "Mr. Chairman, I promised the people of Baton Rouge a new post office and Federal building here for many years, and it's going to be a disaster if we don't get that post office and

Federal building and get it quick. The disaster is going to be me because I am going to be the victim and I don't know whether I'll have the great privilege and honor of representing the Sixth District any longer if I don't get that new post office and Federal building for the people of Baton Rouge that I promised for all these many years."

So he said, "Jimmy, you make a pretty good argument, but your argument isn't quite good enough." So I just got set for what he was going to tell me. He said, "You just get a group and a committee of businessmen and you just bring them right up to Washington and," he said, "let them tell about what they need, the type of post office, Federal building, and then we will see what we will do."

Well, what happened is history. The bids have already been let for the new post office and Federal building and the bids are in now, they are being evaluated, and I feel that the contract will be let in the next week or two for this.

Mr. Chairman, you certainly were magnificent and most generous in that disaster, and that just affected one person as far as I was concerned, and, as I explained to you, but this affects thousands and thousands of people. There is one thing that all of us have taken—incidentally I see our colleague Speedy Long has just come in. One thing I want to say and we developed it in the testimony down there, and I am sure that we will develop it here—I see Dave Pearce, our distinguished secretary of agriculture, who has done a wonderful job with the State in so many ways, particularly in agriculture. We have a very serious problem as far as the farmers of our hurricane area are concerned, and we have likewise a very serious problem with so many people here who have lost everything. As Congressman Boggs, Congressman Willis, and the rest of us brought out at New Orleans, that what we need here is some program here that will put these people who have lost everything and have not only lost everything that they had, they have even lost their credit, too, because the possessions that they lost have not yet not fully been paid for. They not only don't have anything, they not only owe on the possessions that were destroyed, but they have no credit and no chance of or opportunity to rehabilitate themselves and get back in the same position that they were in. I'll tell you, those types of people I think should get special consideration from this committee, and many of the farmers who can, you might say, get by with a loan maybe 3 percent over 10 years or 20 years or 30 years is one thing, but there are some farmers and there are many of our people that just can't get by with a loan because they owe too much already, and the very fact is, if they are not given something in the way of a direct grant, their future is just not only bleak, but it is completely sheer destitution and hopelessness.

I think one thing that this committee has brought out, Congressman Boggs, Congressman Willis, and the rest of the fellows in New Orleans, was showing and explaining very graphically and very vividly just exactly the pitiful and abject miserable situation that so many people face at this time through absolutely no fault of their own but just the victims because of where they lived and where they were when the greatest hurricane that has ever hit this hemisphere in all of our history with the terrific force, devastation and damage it has done.

Mr. Chairman, I certainly again want to express my deep appreciation to you and members of this committee for coming down here and

conducting these hearings. I certainly thank you. Thank you from the bottom of my heart.

Mr. JONES. Thank you Mr. Morrison. Louisiana has always sent one of the finest delegations to the Congress in any State in the Union.

Probably the greatest constitutional lawyer that ever served in the Congress was sent by Louisiana when they sent Mr. Benjamin. Well, I am quite sure that Mr. Benjamin, were he in Louisiana and in the Congress today, would have appeared in Ed Willis because he is recognized as having one of the finest legal minds, one of the most skillful legislators, draftsman and manager of bills that is in the Congress today. Certainly we are pleased to be here at his request and at his invitation. It is always a great pleasure for me, and I am sure the committee, to have the opportunity to work with such a dedicated and splendid man as you have in Ed Willis.

Mr. WILLIS. Thank you very much, Bob. I think Jimmy has stated the case for myself and members of the Louisiana delegation and so I rest with 2 minutes.

We went through another hurricane in my district last year, Hilda, and, frankly, as a result of that experience, if it is possible for humanity to get clobbered twice in succession, at least we were steeled to it. I see people here in the audience who went through that harrowed experience last year. I see Sheriff Prejean here, and because of the experience we had, literally thousands upon thousands of people were moved away before Betsy struck. As a result of that experience, I might say very honestly that I have received very few, unusually few requests or phone calls or any other kind of direct contacts certainly as compared to last year. Last year I was here during that time in October and, my goodness, I would say nine-tenths of my time was taken up with it.

As a result of that, the officials of my district were able to set into operation immediate plans for the Department of Agriculture, headed by Dave Pearce, Leon Gary acting as a generalissimo of operations almost, and other officials. So our suffering and misery, bad as it was, was expertly handled this time. I want to compliment the Governor of Louisiana and the official family. I see Mr. Garland Bonin from my congressional district, who operates the welfare department, and all the others who were able to pool their experience to bring about relief. I don't want to single out anyone in particular; all of them played a part. There were countless acts of selflessness and heroism played, and for all that we are grateful.

We are grateful to you, Mr. Chairman, and members of your subcommittee, geographically located in our country from California, as far west as California, as far northeast as New Jersey, neighboring Southern States of Texas, Alabama, Mississippi, Tennessee, South Carolina, all over the country, West Virginia, who crowded here and came here lending of their time and efforts and their energy and their know-how, because Bob Jones said this is the sixth trip in affected areas this year that this committee has visited. So like Louisiana derived experience from last year's Hilda, so the committee has the know-how to assemble the facts and to marshal the information and to try to translate those things into things that can be done.

Finally, I would say that this incident, this disaster, this hour of misery and suffering, has proved that the greatest country on

earth, which has the biggest conscience of any country on earth, also has a big heart.

May I in conclusion and without light vein say this, and I hope, because the President is involved, I may nevertheless repeat it. Friday after the Thursday night when this hurricane struck, Betsy, I was in Senator Long's office having lunch in his office in the Capitol, having lunch with him and his wonderful assistant, Bob Hunter—I hope he is here—at about 1:30 that afternoon and decided to call the President. I really would like to have that conversation recorded; I think it would be good for posterity. Senator Long picked up the phone and called the White House. He said, "Little lady, my name is Russell Long. Some people call me the 'Whip of the Senate.'" He said, "We've just lost a city in Louisiana. I want to talk to the President." And he came on, the President, and he said, "Ed, get on the phone." The conversation went on like this. The President said, "Yes." Russell Long said, Senator Long said, "Mr. President," with a forgivable amount of exaggeration, he said, "you know, next to the Great Lakes, Lake Pontchartrain is the biggest lake in America. You know how it stands now? Dry. Just like that, water in a wash basin. The forces of nature took it and just poured it on New Orleans." Then he said, "When neighbors are sick and you visit them, they appreciate it. You ought to come to Louisiana."

The President said, "Russ, you know I've a couple of wars on hand and an awful amount of heavy schedule. Jimmy Morrison and Hale Boggs have called me, but I'll try;" but he said, "If I can't go, I'll certainly send my best man." Senator Long said, "We don't want your best man, we want the head man, Mr. President, we want you."

So with that conversation and others, I was glad to accompany the President. He typifies the kind of leadership that the Nation wants. We hope that as a result of these hearings the committee will be able to supply, to provide, to aid in trying to find at least some solutions to our many problems and we are grateful to you, Mr. Chairman, and other Members for coming to our rescue.

Mr. JONES. Thank you, Mr. Willis. We have Speedy Long with us, who is serving his first term in the House, and he has already distinguished himself by his industry and his capability of working with fellow Members. I predict a great future for him because of his demonstrated acumen and willingness to work. It's a pleasure to have you with us, Speedy.

Mr. LONG. Thank you, Mr. Chairman.

Mr. Chairman and members of the committee, on behalf of myself and Congressman Joe Waggoner from the Fourth Congressional District who couldn't be here this morning, I just want to say how much we appreciate you and the committee coming to Louisiana to the scene of the crime trying to gather the facts and the information in a conscientious effort to assist this great State and the people of Louisiana. The people of Louisiana, Mr. Chairman, will be forever indebted to you and the committee for what you are trying to do to help us. Thank you very much.

Mr. JONES. It is always the pilots of great ships who demonstrate their capabilities through long and hard work. The accomplishments

that Hale Boggs has made would be cataloging the great issues that have been spent in the Congress for the past 24 years. He is held in the highest esteem and respect. He is a great leader, and I am proud to always refer to him as "the Whip" because he used it constantly. Sometime I would like to show you my back when he whips real hard. Hale, it's a pleasure to have you, sir.

Mr. Boggs. Mr. Chairman, thank you very much. I took up too much time yesterday so I can't do it today, but I would like to say to you and the other members of this committee that our State is very grateful for your coming here. I should also like to say that I have been in constant communication with Congressman Morrison and Congressman Willis since this disaster hit our State, and I think, if you'll forgive my modesty in including me in the group, that we could be very proud indeed of what these gentlemen have done for this State.

I know that you have many witnesses here. You have come here to gather evidence and testimony about the damage that has occurred, and I know that you must go ahead with that business. Let me say this, that everywhere that I've been in this State, I've seen people work together in a spirit that's very gratifying. There is something about a disaster that brings people together and makes them realize that unless we work together, we may all perish separately, and this is one of the real pluses of this kind of wind, that this is the good of an ill wind.

The State government, the municipal governments, and parish governments have performed magnificently, and I am very proud of all of them and I appreciate the opportunity of serving with them.

Mr. JONES. Mr. Leon Gary, director of public works of the State of Louisiana.

STATEMENT OF LEON GARY, DIRECTOR OF PUBLIC WORKS OF LOUISIANA

Mr. GARY. Mr. Chairman and gentlemen of the committee—

Mr. JONES. Mr. Gary we are going to make you an ex-officio member of the Public Works Committee. I think you have had the opportunity to appear before this committee just about as frequently as anybody I know of in this State.

Mr. GARY. Thank you, sir. We certainly appreciate the results that your committee has been responsible for.

I would just briefly like to give you what happens in a State when this type of disaster occurs. We would set the height of the storm in Louisiana, say, at midnight, Thursday night. Thursday morning at 10 o'clock—I am speaking now only of the local activity—the Governor had turned over all of his facilities, his mansion, his office, his staff, for the preparation purposes to meet the effects of the hurricane. At midnight, Thursday night, we knew pretty well what had been hit. At 1 o'clock Friday, just as soon as visibility was fair, the Governor, the regional director of OEP, the director of wildlife and fisheries and I took the trip to find where was the wind damage, where was the tidal and wind damage area, and where was the wind and gradual flood area. That was determined, and from the plane we could see that the local agencies were at work. We immediately dispatched all State equipment and State personnel, State resources from sections of the State that had not been struck, into the area. That was the extent of State capability which was not equal to the task.

Going back to Thursday—let me just digress a minute. Going back to last October 3, we had Hurricane Hilda, and we knew the Federal procedure and we were familiar with what could be done. As of Thursday at 10 o'clock the OEP people were in the State, the Federal agencies were being called in and they were prepared.

From Friday at 1 o'clock, and especially since the President had come into the State at 5, it added momentum to the Federal people who were here in authority, and the order to cut redtape took effect. It is unbelievable what can be done when you have the proper legislation, you have the State and Federal know-how and to witness a performance that occurs under proper legislation and coordination.

When you do all of that and you're in the area and you're in the act, you see where there is not legislation that you can go in and immediately recover private property, then you can do nothing for the uninsured. By going back Friday morning, the insurance people for the State were called in, the commissioner had offered his services, and by Friday morning we had already established that emergency repairs were to be made to all insured properties, which had been approved, which then had been approved by the adjusters and by the State department, so that we could take care of everything, that we had legislation, everything was insured, and everything that was eligible for Red Cross or for other agency participation, which points up just what you have developed here. We need additional legislation for those uninsured losses. Now, the cutting of the redtape in the emergency, or recovering what might—

Mr. JONES. Mr. Gary, may I interrupt you just for one moment?

Mr. Jack Frost of the Department of Agriculture is asked to go to to the rear of the auditorium for an urgent conference.

Proceed, Mr. Gary.

Mr. GARY. Now, to pick up where you have the legislation and you have the cutting of the redtape, we reduce the potential loss by millions of dollars. We have existing legislation; we do not have implementation on the hurricane protection system, and we would ask—we know that we can't expect the redtape cut that we experienced in the disaster, but we would strongly recommend that there be methods devised to implement and to put on a fairly classified crash program making funds available to the construction of the known plan, approved plans, for hurricane protection.

Now, on behalf of the Department of Public Works, I would like to be able to submit to you gentlemen later the formal recommendations of the Department for this hurricane protection. I would just like to bring this up, that when your Governor referred to the ball game last night, we were just like Coach Neeley was. We knew something was going to hit us, but we didn't know just where, and where they hit us makes the difference. If the hurricane had turned northward 1 hour before it did, or if the hurricane had followed its usual course of hitting land turning northeast, the problems of the metropolitan area would have been altogether different from what it was. So that you've got to be prepared without this protection for a catastrophe and not knowing where it will hit exactly, if the storm had come up Lake Pontchartrain instead of up Grand Isle way or even after it had hit Grand Isle it had gone northeast, that the crest of water that was brought over Pointe a la Hache had crested instead

in the Borgne and Rigolet area, you would have had the flooded condition that you've seen at Pointe a la Hache to a lesser degree in the entire metropolitan area of New Orleans. It would cost \$84 million to protect to a great degree against the happening of such an instance. The last estimate that I saw was that the cost benefit would be \$475 million or \$475 million can be caused by any hurricane that comes up Lake Pontchartrain.

Any questions?

Mr. MORRISON. Mr. Chairman.

Mr. JONES. Mr. Morrison.

Mr. MORRISON. I certainly want to commend the gentleman. He has always been a very able director of public works, and I think his work in the State has been outstanding and I certainly appreciated the cooperation that he has always given me on that return that I have had occasion to call on him, and I certainly think that he went far afield, beyond the call of ordinary duty, in his job in trying to assist in this terrible hurricane catastrophe. As one of those who was present at the Governor's mansion when we had the meeting on Saturday after the storm, I was certainly impressed with his diligence, with his ability, and the very fact that he wanted, as far as the Federal Government was concerned, to coordinate every branch of the Louisiana Department of Public Works with the Federal agencies and doing everything possible to bring back the most rapid recovery of our people and their property.

I certainly think that you deserve the thanks of all of our people, not only in this hurricane area, but in the State for what you have done, and I think that you have done a wonderful job and I certainly want to thank you and commend you for it.

Mr. GARY. Thank you.

Mr. JONES. Thank you very much, Mr. Gary. I think it might be wise, Mr. Johnson, you recall the northwest areas. We received a report from the Governor of Oregon on their procedures which it might be worthwhile having those published and sent to the various States; because I am quite sure that they could be useful. Their organization there was probably the most unique that I have ever seen.

Mr. JOHNSON. I would say, Mr. Chairman, that the presentation that was made there by the people of the State of Oregon, they certainly have a very well rounded out and operational plan for emergencies, and we have a detailed record of just how they set their organization up and how it functioned during our flood that we had in the Pacific Northwest. It could be helpful in many areas.

Mr. JONES. I think that maybe we could have it issued as a public document with comments from the Federal agencies that worked with them. I think Mr. Gary pointed the need for that type of analysis approach.

Mr. W. W. (WOODY) DUMAS, mayor of Baton Rouge. The mayor is no newcomer to this committee. He has been with us on several occasions and the last visit I had with you was in the office of Ashton Thompson. I know Congressman Thompson served on this committee. The most valuable member that we ever had; a dedicated, conscientious member who devoted his entire time to work with this committee. Nobody was held in higher esteem or affection than Ashton Thompson.

It's good to have you today.

STATEMENT OF MAYOR W. W. "WOODY" DUMAS, OF BATON ROUGE

Mr. DUMAS. Thank you, Mr. Chairman. Members of the committee, and certainly the fine delegation of Louisianians.

As the mayor of Baton Rouge, I imagine that in the past 10 months we have had some trying times but certainly things like Hurricane Betsy and our chlorine barge, which is still on the bottom of the river, certainly will give you some anxious moments.

I would like to recognize my good friend Fats Everett, who is from Tennessee, and I tell you we have a friend in Fats Everett in Louisiana from Tennessee. I thought maybe one of these days I would make him an honorary mayor. As long as he doesn't run against me, it would be all right.

It is a great honor to be here today. As the Congressman has said, Congressman Jones has said, we have appeared before the Committee of Public Works on many occasions in Washington and it is indeed an honor to have you come to Louisiana.

I would be remiss in my responsibility as the mayor of Baton Rouge, or as a citizen of Louisiana, if I didn't give special recognition to our Louisiana delegation.

I believe as Congressman Jones has said that we have one of the finest in the United States. The only thing that I can say is by the action of these gentlemen over the past. I don't know of any time that any member of the Council of Baton Rouge or from Louisiana has gone to Washington that they have not been certainly looked out for and represented to the best of their ability. It is times like these that you really appreciate these kind of people. It was my pleasure to meet Congressman Johnson up in Washington at one of our meetings. He certainly represents the California area, he and my good friend, Bill McDougall. So we do have friends, and I say this because I was president of the National Association of County Officers. We have some 3,034 counties which I represent and some 13,500 people, and, as I leave here today—the director of the NACO was here this morning—we certainly are going to, in our magazine, do everything possible to let our people throughout the United States know what this committee has done, the President, and all those involved.

Now, Baton Rouge certainly was hit hard, harder than we have ever been hit before. It has done considerable damage, but, like the fellow said, it could have been worse. We could have been hit as hard as New Orleans or my name could have been Schiro and I really would have been in trouble; but you have to appreciate these things.

We are here this morning to tell you about what happened to Baton Rouge. I have a brochure, and, for the sake of brevity, I am not going to read the whole thing to you, but there are some very pertinent facts in it that I would like to cover and I would like to give you my side of what happened.

It was indeed an honor after Friday night or Friday evening when the President called me and assured and reassured me and the people of Baton Rouge that they would do everything in their power to cut the redtape and to help Baton Rouge get back to its normal status as much as it could under the circumstances. I think to say that the redtape has been cut is grossly unexaggerated, for the simple reason that I speak from now of personal experience, as Congressman Jimmy

Morrison told you, that we did meet in the Governor's office on Sunday at 10 o'clock. Sunday afternoon at 5 o'clock, I sent a telegram to Col. Thomas J. Bowen of the Corps of Engineers, Chief of Engineers in New Orleans; 8 o'clock Monday morning at my home, I received a call from Mr. Bussie Dodd, the colonel's assistant, stating that they had received my telegram and had confirmed it and had certified the request that we made, and at 10:30 a Mr. Everhart would be in my office with the necessary papers for us to sign. At 10:30 Mr. Everhart was in my office. He had come all the way from Lafayette. I got Ray Burgess, my director, and Bob Law, the assistant director. We met with Mr. Everhart, and at 2 o'clock that afternoon we had signed a contract with the Federal Government for some \$400,000 allowing us to hire outside contractors to clean this city up. I think this is great. I think it is unprecedented in the history of the corps and the Federal Government. As far as Baton Rouge is concerned, we appreciate it.

Since that Monday morning after the hurricane, we have completely clean up about 85 percent of this city and, before the week is out, we will have all of the debris cleaned out of this city. I think a great deal of this goes to our congressional delegation, the President, the Governor, Corps of Engineers, and all those involved.

Now, something was said about the hurricane. We realized that morning at 10 o'clock, when we started getting the weather reports, that it wasn't determined as to whether or not the hurricane would hit Baton Rouge, but, having had experience with high winds, heavy winds, it gave me a sort of anxious moment there. At 10 o'clock that morning I appeared on the television stations and radios asking the people in this community, telling them about the winds and so forth, to start clearing up the lawn chairs and the garbage cans and to make preparations with the candles and the coal oil lamps and all that to get ready.

At 3:30 that afternoon I allowed all of the employees in the municipal building to take off because the weather reports said that heavy rains would be around 5 o'clock. Well, I thought it would be absolutely ridiculous to have people run out of the office at 5, run home and try to clean it up. So we gave them an hour and half to get home, and above all, to stay off the streets. That afternoon at 3 o'clock, our civil defense met with the mutual aid, all of the law enforcement, all of the agencies within this government, with the sheriff's office, chief of police, fire department, and they set their plan into action. We didn't realize within a few hours that we would have to do it.

The things that followed is a matter of history, which I will not try to repeat; but I say this, that the news media in this community co-operated with the mayors' office, the people of this community, and through the meeting of our civil defense, the news meeting, we lost not one single life in Baton Rouge. We think that is the greatest of all the achievements that were done.

Now, it's rather difficult for a man like me as mayor of Baton Rouge to serve in a capacity, official capacity, having men like Jimmy Morrison, Senator Long, Senator Ellender, Hale Boggs, Ed Willis, Speedy Long, and all of those, and, on top of that, be right under the shadow of the Capitol with a man like John McKeithen, which looks like you have to really swim hard to stay up with the pack; but we do feel this,

that those men have shown what type of people they are made of, and I am sure the Corps of Engineers, working with General Davis, Colonel Norton, Colonel Bowen, that the problem we have in the Mississippi River with the barge will be just another phase in the operation with the Corps of Engineers.

Baton Rouge was lucky. You will see a lot of debris in Baton Rouge, but Baton Rouge only received about 3.16 or $3\frac{1}{2}$ inches of rain. Ordinarily you get from 8 to 10 inches of rain following this. Had we had the floods in the city as we had previously under Hilda, then we would not have been able to do the things we did through our department of public works, et cetera. I imagine the damage in this community would have been double. Certainly 90 percent of our power went out and 95 percent of all of our telephones. People were left without lights. Many of the deep freezers, iceboxes, and many things that were wasted will probably never be counted in this program.

What we need in Baton Rouge, which is one of the programs I presented to this community on February 8, when I took over in January, is flood control. All of you gentlemen on the Public Works Committee know that not too long ago we got you and you did over a period of years give us the Amite-Comite Rivers' tributaries.

We feel the answer to the flood control in Baton Rouge is the diversion of the Comite River into the Mississippi River and for the installation of some lakes on the Amite River which will allow flood control, recreational facilities, and, in the not too distant future, water conservation for this community.

We put this in the record because I am sure, as we progress with our plans, that it will be a pleasure to see you gentlemen in Washington under better circumstances. We intend to be there and meet with you and ask for your indulgence in helping us cure once and for all, rid once and for all, the flooding problems in the East Baton Rouge Parish area, Livingston, Ascension, and Iberville Parish. We feel that if this thing is ever accomplished, it is an ambitious program. What you're looking for is the answer. We have the answer. You've got the money. Combined we'll get the job done.

So in conclusion, I'd like to say this, that one of the things we have in this brochure that I would like for you to check is the necessity for a civil defense. I know this is probably not in your realm, but we need some equipment very badly in this parish. We only had the hot line from our office. The radio and telephone had gone out from the weather bureau. One of the channels went out at 11 o'clock, the television station; the other went out at 1. We had two radio stations. One which stayed on at all times was station WLCS; the other was WIBR. They operate on about 1,000 watts, but between those two we were able to keep the people all through the night.

I have many things in this that I do not intend to read. I want to say on behalf of the city of Baton Rouge and the city parish council that we deeply appreciate your being here this morning. We know that you are going to give us every possible consideration that you can under the circumstances, and we do hope and pray that you may never be called back to Louisiana for the same thing. Working together with our legislative delegation, the President of the United States, and the people of Louisiana, we know that these things are going to be accomplished and, gentlemen, on behalf of Baton Rouge, thank you very much.

Mr. GRAY. Thank you very much. Any questions?

Mr. EVERETT. Mr. Chairman, I just want to commend Mayor Dumas on his fine statement. I have known Mayor Dumas for over a decade, as we have worked together in the National Association of County Officials. I have observed his work as a councilman here in this parish, and also I have worked with him as he has climbed the stairs to be president of the National Association of County Officials. He certainly made an outstanding contribution to that association, and I do want to congratulate you on the wonderful way that you've handled this disaster which you have just recently gone through. Thank you.

Mr. GRAY. Thank you, Mr. Everett.

Mr. Morrison.

Mr. MORRISON. Mr. Chairman, I don't know of any city, large or small, in this great Nation of ours that is any more fortunate than we are here in the State's capital of having a dynamic, hard working, energetic, sincere mayor-president like Woody Dumas has proven himself to be on so many occasions. Long before he got to be mayor-president, he used to come to Washington so many times on behalf of Baton Rouge as a councilman, on behalf of all kinds of programs. I used to think that he owned part of the airline or certainly had a pass on an airline because he was always up there, and I'll tell you, he's a fellow that not only has the ability not to wear out his welcome but to get results. I know of no man in the 23 years that I have been in Congress that I have worked with, that I appreciated the opportunity of working with, than I have Woody Dumas because he has always—and you have—you have always been most reasonable. You've always been well prepared; you have always come up there on solid ground, and it has been a privilege to work with you. I want to tell you this: The amount of energy that he put out in this hurricane disaster, to me you would almost have to be three people to have done what you did, and I think, as a result of that, you not only contributed so much tremendous effort that you put out, but I think that a lot of people would have suffered in so many ways a lot more from the disaster had it not been for your very, very outstanding efforts.

Mr. DUMAS. Thank you kindly.

Mr. WILLIS. Mr. Chairman.

Mr. GRAY. Mr. Willis.

Mr. WILLIS. In short, I, too, join in complimenting and thanking my good friend Mayor Dumas, but I would like to say this. A while ago I mentioned one of the sheriffs from my district in the audience and there are others. I didn't mean to exclude them—they will be appearing later on—but I referred a while ago to accomplished acts of selflessness and heroism. There is one sheriff here, Eddie Ste. Marie, from Lafourche Parish, who had a harrowing experience; he almost drowned. Mr. Chairman, I will ask permission for him to tell that story in French. Will that be all right?

Mr. GRAY. If you will translate it, it will be all right.

Mr. DUMAS. May I add one other thing, gentlemen, which I think is very important. You know we are quite often very anxious to get Federal funds for everything, but also I think I should tell you this, that Tuesday we have submitted to this parish and the city of Baton Rouge a \$61 million drainage and road program. We feel that this

is a responsibility of this community. We know that regardless of what the experts say, that the State and the Federal Government's funds are limited, we feel that there are some things that we can do for ourselves. The things that we can do for ourselves, we will do. The things that you can do to help us, we will accept them graciously. Thank you very much.

Mr. GRAY. Mayor, before you leave I have a couple of questions.

I first want to commend you on this very concise and informative statement. As the Chinese philosopher said that a picture is worth 10,000 words, I think this is very good in submitting pictures that really graphically describe the damages. Do you have any final estimates of what you think the damages are going to be here in Baton Rouge?

Mr. DUMAS. Unless Ray Burgess could give us an estimate. Is there any possible chance at this time?

Mr. BURGESS. Well, it is impossible for us to assess damage to personal property yet. We have an idea about what it did to the public property and what it will take us to get public property back in operation but not yet to private property. But if we were guessing, it is going to be \$50 to \$75 million, and likewise throughout the Sixth District it would be another \$50 to \$75 million. So I would say the Sixth District has a loss of between \$100 to \$150 million.

Mr. MORRISON. One thing I would like to ask you at this point, Mr. Mayor, and that is, it was brought out in the hearing in New Orleans that schools down there, and lots of them were caused not only from winds but likewise from water, had severe damage but just what happened to the schools here? That is public schools, private schools, and higher educational institutions, what amount of damage did they suffer?

Mr. DUMAS. Congressman, it is awfully hard for me to say, but I know there was some extensive damage done to the schools. To tell you exactly how much, my answer is this, that if the director, and incidentally, have to give him credit for working up this brochure. It was through the department of public works and other members in the government all working together presented the thing for you. But, Congressman Morrison, I cannot make that answer.

Mr. MORRISON. Was the damage extensive?

Mr. DUMAS. Oh, yes. There was tremendous damage in the schools and I am sure that the school board's office can get this information to you and you will be notified. But the only thing I can say is that I predicted the morning after the hurricane, on horseback estimate, and the information I could get that it would take about \$750,000 to clean the city up. The estimate came around \$700,000; I think we are going to need at least another \$85,000 more at the rate we are going, that will bring it to about \$785,000.

Now based on another horseback estimate, we figure between \$50 and \$75 million. That is after you see all the powerlines down, the houses and different things.

You will notice some pictures in the back of this brochure that will certainly tell you a part of this thing. But the point I want to bring out to you strongly, is that even though we did have \$50 to \$75 million worth of damage, that if we had gotten the 7 inches or 8 inches or 10 inches of rain it would have been tremendous, I would say almost

double of what the damage would have been or was, and we are looking to the future to make sure that these things don't happen again.

We were fortunate in Baton Rouge even though we were hit by Betsy; I believe God blessed us by not bringing the waters. It could have been worse.

Thank you.

Mr. GRAY. Mr. Mayor, I just want to say that before you even rose to your feet I was convinced that you would give the high level of performance in presenting the materials that you did, because having been in contact with your Congressman, Jim Morrison, and the other fine members of this delegation, we in Congress have come to realize and expect a high level performance in governmental service from your State. That realization was justified by what I heard yesterday, and today from your Governor right down to every local official.

I want to commend you and the other men for all the preparation you may have given us, and I want to point out that even before coming here that your Congressman had us very well briefed and prepared for the task that we face. This has been very helpful indeed and we assure you that we are going to do all we can to help you.

Mr. SCHMIDHAUSER. As I say, there are two kinds of leadership. One is where you lead and the other one is where you are being chased, and as long as we have Congressmen like these, we will never be chased.

Thank you.

Mr. GRAY. Any other questions on my right?

(No response.)

Thank you very much, Mr. Dumas.

(The material submitted by Mr. Dumas will be found in committee files.)

The next witness to appear before the subcommittee this morning is our very outstanding and distinguished Assistant Chief of the Army Corps of Engineers who is in charge of the civil works, Maj. Gen. Jackson Graham from Washington.

General Graham, again we are delighted to have you with us on the trip and I want to say, before your remarks, publicly how much the committee appreciates the Trojan job that your group of officers and men have done down here in this disaster.

STATEMENT OF MAJ. GEN. JACKSON B. GRAHAM, CORPS OF ENGINEERS, WASHINGTON, D.C.—Resumed

Major General GRAHAM. Thank you, Mr. Chairman and Members of Congress.

We appreciate this opportunity to add to our statements of yesterday in New Orleans. I might say that our statements this morning will be brief for two reasons: First, we don't want to be repetitious in adding to what we said yesterday about our long-range program for hurricane protection in the southern areas of Louisiana; and secondly, as was just outlined by the mayor of this community, the damage problem in this part of Louisiana was considerably different from that in southern Louisiana. It was water control agency rather than the wind control agency and for this, I guess, we are grateful.

The division engineer actually, in his remarks in the next few minutes, will concentrate on telling you something of our actions and plans in connection with the planned salvage of the chlorine barge, which, as you know, is nestled right up against this community.

The district engineer will relate briefly what the district has been doing the last 2½ weeks to support the Office of Emergency Planning and assist this city in cleaning up in this area.

With that, I will call on the Lower Mississippi Valley Division Engineer, Maj. Gen. Ellsworth I. Davis.

Mr. GRAY. Please come forward, General Davis. We are also delighted to have you on this tour, and I know the people of this community appreciates the fine work that your division officers have been doing for them.

STATEMENT OF MAJ. GEN. ELLSWORTH I. DAVIS—Resumed

General DAVIS. Thank you, Mr. Chairman.

Mr. Chairman and Members of Congress, although the citizens of the Baton Rouge area suffered greatly from Hurricane Betsy, the damage was almost entirely from hurricane winds, as has already been described to you by the mayor.

The recorded rainfall during the storm was only about three and a half inches, which is about half as much as one might expect to have accompany a hurricane. For this reason we base our drainage designs in this part of Louisiana on the rainfalls expected to occur coincidental with a hurricane occurrence.

In spite of the damage that the hurricane caused in this general area, I feel that here at Baton Rouge, at this particular time, the major interest is centered in the successful removal of the chlorine hazard that now lies in the bottom of the river just downstream from the LSU stadium. For that reason I would like to describe briefly the problem and its implications.

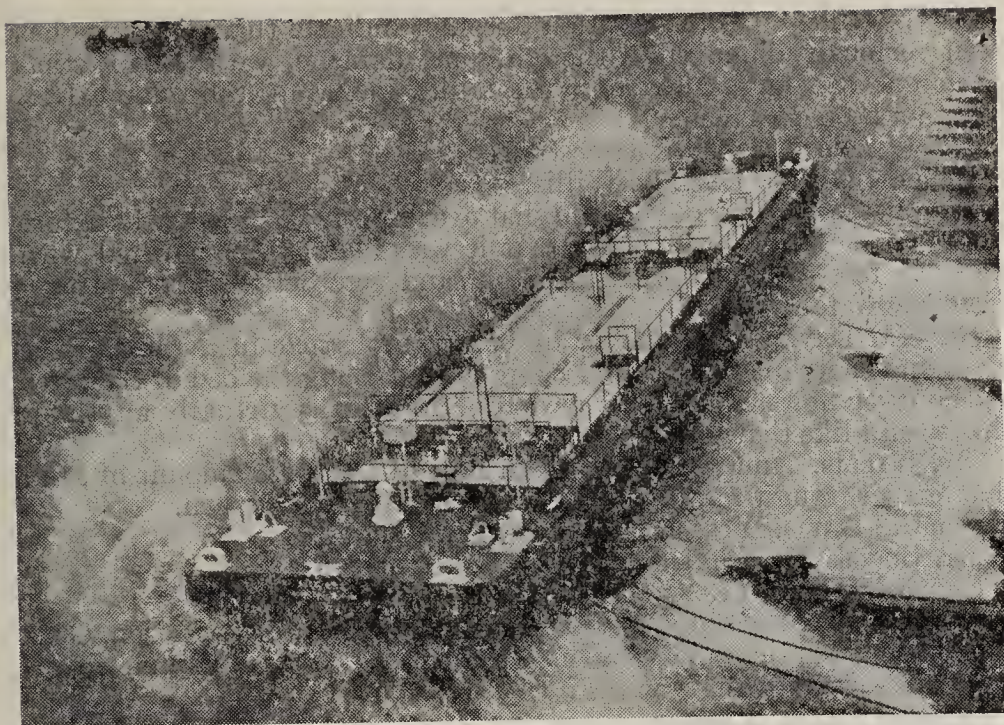
If you would look to your right, you will see barge 602 shown as it was being launched 10 years ago. The chlorine is carried in four large cylinders, shown there in two pairs. It is an open-hatch type of barge. It contains 600 tons of liquid chlorine in the four tanks and was en route from Lake Charles, La., to Calvert City, Ky.

At the time of Hurricane Betsy, it was moored at the east bank of the Mississippi River just about opposite the Port Allen lock. The barge disappeared during the storm, the night of September 9.

Through the combined efforts of Federal and private agencies the sunken barge was located and identified on the 16th of September. If I could digress here just a second I would like to give proper thanks to the volunteers from the Tennessee Gas Pipeline Co. who sent over voluntarily, at their own expense and without any cost to the Government, two technicians and an instrument which actually located the barge under the water.

Mr. BOGGS. Is that what they call a profiler?

General DAVIS. A profiler and, with running the risk of being charged with plugging for a commercial concern, made by the Honeywell Co.



Original launching of barge MTC 602, sunk with load of chlorine in Hurricane Betsy, Baton Rouge Harbor, La.

A matter of interest also; this barge being spotted on the 16th of September was located exactly 3 years to the day after its predecessor sunken barge was located in the Mississippi River below Natchez.

The job of the Corps Engineers assigned by the Director of the Office of Emergency Planning is to remove the serious threat which the chlorine poses to the health and the safety of the general public. Colonel Bowen, the New Orleans district engineer, who is in charge of the operation will furnish you the details of the search and salvage operation.

I thought that it might be helpful to the committee for me to draw some comparisons between the present situation with barge 602 here at Baton Rouge and that which existed at Natchez, where in 1962, when 1,100 tons of chlorine, almost twice the amount that is in barge 602, was successfully removed from a sunken barge. I have here a chart which shows the positions of the barge at Natchez—that's the lower one—and the barge 602 here at Baton Rouge.

Since our investigation of barge 602 is still underway, the information on the chart may not be complete. It does represent, however, the best that we know at this time.

In the Natchez case, the barge had been sunk for approximately 18 months before we were directed to make an all-out search to locate and salvage it. As shown on this chart, the barge was buried under approximately 15 feet of sand in water about 50 feet deep. The barge was broken at about its midpoint.

Now barge 602 here in Baton Rouge was located within a week after it was sunk as opposed to 18 months for the other one. The deepest water over the barge is about 64 feet which is a little bit more than the Natchez one; not significantly. The barge is not covered by deposit because it has not been there for 18 months.

At this time our investigation does not indicate that the barge has been seriously damaged, although some damage, we do know, has occurred. So far as we know the tanks, including the tank valves, have not been damaged.

Mr. WILLIS. May I ask a question?

General DAVIS. Yes, Mr. Willis.

Mr. WILLIS. General, you said that over a period of 18 months before the *Natchez* barge was found, that it was found to be covered with some 15 feet of sand. How did the sand get there? From sifting from the water?

General DAVIS. Well merely by being an obstacle in the bed of the river and there's constant sand being moved along the bed of the river as the river flows, and over a period of 18 months virtually anything that's solid like that will become buried.

Mr. WILLIS. And that gives us an idea of the huge amount of sand that goes through mighty Mississippi from stem to stern.

General DAVIS. Yes, sir; it's a very good example.

Mr. BOGGS. Mr. Chairman, may I ask a question?

General DAVIS. Yes, Congressman Boggs.

Mr. BOGGS. This might go down as a very elementary question, General, but I would be curious about the answer. Is this the same chemical that is used to purify water?

General DAVIS. Yes, sir.

Mr. BOGGS. Why does it take on these dreadfully poisonous characteristics under these conditions?

General DAVIS. Mr. Boggs, it is also, of course, the lethal gas that was used in World War I. Now the problem is this: That should a small leak occur in one of these tanks while it is under the water, just the tiniest little pin hole, one that leaks, the liquid chlorine that is in the tanks would mix with the water and form hydrochloric acid. The hydrochloric acid would attack the metal, the surrounding metal, vigorously and in a very short time the hole, instead of being a pin hole, would be a large hole. The liquid chlorine would then escape from that hole very fast; so fast that it could not be assimilated by the water. It's under pressure and would burst up through the water. As soon as it hit the surface of the water, the pressures would be released and it would form a gas, and it is a heavy gas which doesn't rise but which clings along the surface of the ground. It is lethal; it wouldn't be very good to breathe.

Mr. BOGGS. One other question. In light of the *Natchez* experience and this one, is this a satisfactory way to transport this chemical?

General DAVIS. My own opinion, Mr. Congressman, is that the kind of barge that it is being transported in, considering the lethality of its cargo, is not as safe as it ought to be.

Mr. BOGGS. How else is it transported?

General GRAHAM. I might add this, that the Coast Guard is concerning itself with this question after this second incident and we've addressed a letter to them from our office.

We made two suggestions on that. One, would they consider requiring decked over barges which won't be as subject to swamping as this open well-type buoy and second, that in any case, consideration be given to some type of automatic buoying system which would be released in the event of swamping or sinking and which would then re-

duce the tremendous effort in tying the money that is spent in locating one of these sunken barges.

Mr. Boggs. Do you have the same problem transporting chlorine by tank car for instance?

General DAVIS. The problem there wouldn't be as dangerous, I don't believe, because, again going back to the problem of the liquid chlorine joining with the water to form hydrochloric acid, if a small hole should develop in a tank car or in a truck that was transporting liquid chlorine, the small leak, would not enlarge and form the hazard that it would under water. But should the tank car or truck carrying the liquid chlorine be involved in an accident in which a large pole was gouged into the tank, it would, in my opinion, become very hazardous.

Mr. Boggs. Mr. Morrison had a question, gentlemen.

Mr. MORRISON. It seems to me that with that barge as a conveyance for chlorine that not only a hurricane, but it would be dangerous in a case of a severe storm or tornado in a given area. Is there any other way that that particular type of chemical can be transported to where it would be absolutely safe as far as water transportation is concerned?

General DAVIS. Yes, sir; I think that if we had a barge instead of being an open-hatched barge like this is with four long cylinders lying on it and vulnerable to being swamped by water getting over into the hole, instead of that, there was an especially designed barge for this, that had buoyancy in itself, then this problem would be certainly re mitigated.

Mr. Boggs. One other question, General. Does the Corps of Engineers have any jurisdiction insofar as this sort of thing is concerned? That is safetywise.

General DAVIS. Not in this particular instance. I'm primarily concerned with a sunken object.

Mr. Boggs. I understand. The question that I am asking you is bearing on what Mr. Morrison asked you. Can you prescribe such regulations?

General DAVIS. I believe this is more in the realm of the Coast Guard than the Corps of Engineers.

Mr. Boggs. Do they have any power to do that?

General DAVIS. I believe they do.

General GRAHAM. Yes. This is under the jurisdiction of the Coast Guard and our function is merely to make recommendations to them.

Mr. GRAY. You may proceed, General.

General DAVIS. I might also add that following the Natchez incident, this particular barge 602 was equipped with a buoy system which was to be paid out in case it was sunk accidentally, but for some reason or other it did not work.

At Natchez it was necessary to carefully dredge the sand from over and around the barge before we could start rigging it for the actual salvage operations. Here at Baton Rouge it doesn't appear that we have this problem. Because the barge at Natchez was broken, we had to raise the tanks individually. We had to go down and disconnect them one at a time and raise them individually, although we had originally hoped that we could raise the barge intact.

Mr. Boggs. General, one other question. Who owns this barge?

General DAVIS. The barge is owned by the Marine Leasing Service. There are about three or four owners involved. There is the owner of the cargo, the owner of the barge, the towing company.

Mr. BOGGS. Who are they?

General DAVIS. Pittsburgh Plate Glass Co. owns the chlorine.

Mr. HOWARD. Who owns the barge?

STATEMENT OF COL. TOM BOWEN—Resumed

Colonel BOWEN. The Marine Leasing Service, Inc., of Delaware owns the barge.

Mr. BOGGS. Now who pays for all of this expenditure? This locating of the barge and salvaging of the barge?

General GRAHAM. Back to the last question, if I may, Mr. Boggs. You note that that barge is marked MTC. As I recall, that stands for Marine Transportation Co. and they are a subsidiary of the Marine Leasing Service which is the holding company and really the owner.

Mr. BOGGS. Who is the Marine Leasing Service?

General GRAHAM. They are the owners.

Mr. BOGGS. Where are their headquarters?

General GRAHAM. I cannot answer that.

General DAVIS. Wilmington, Del.

General GRAHAM. I believe that is where the barge was built.

Mr. BOGGS. Now who bears the cost of all this? Taking this barge up and all the time and effort to locate it and so on.

General DAVIS. Initially, this will be done by using funds of the Office of Emergency Planning under Public Law 875. However, this is merely to get the operation underway and let us go to work. We fully expect that the Department of Justice will take immediate steps to try to get reimbursement for all of these costs from the owner. The Government has not accepted abandonment of this vessel.

I might say that the previous case followed this pattern and it is still in litigation in the courts. The Government is still trying to get reimbursement for their cost from the Wyandote Chemical Corp.

Mr. BOGGS. Well, I think this ought to be a warning to these people. This is a very dangerous thing and I hope it doesn't happen again.

General DAVIS. In an operation of this type the safety of the general public must be of prime consideration. At Natchez, where the river formed a boundary between two States, Louisiana and Mississippi, both States, of course, were involved in the potential threat.

Therefore, the U.S. Department of Health, Education, and Welfare was given responsibility for public safety for that job and coordinated all of its activities with the Corps of Engineers, the two States, and the other Federal agencies involved. There again the corps' responsibility was to find the barge and to remove the chlorine.

In the current job, since only one State is involved, Louisiana, it has been given full responsibility for all activities in connection with public safety. The Corps of Engineers is responsible for the salvage operations. There is, and will continue to be, very close coordination between the State of Louisiana and the Corps of Engineers in this operation. Our salvage activities will be tailored as necessary to fit in with the State's safety plan.

I would like to assure the committee that the safety of the general public will govern in all of our activities in raising and disposing of the cargo.

That concludes my presentation.

Mr. GRAY. Thank you, General Davis.

Did you intend to introduce the district engineer? We do not have him on the agenda.

General DAVIS. Yes, sir. I would like to ask Col. Thomas Bowen, who is the district engineer in New Orleans to——

Mr. BOGGS. Having asked these questions, I don't mean to——

Mr. GRAY. No; that is all right. Mr. Boggs.

Mr. BOGGS. General, I don't want to leave the wrong impression. I want to commend you and everybody connected with the corps on this really magnificent job you did in locating this barge under the trying and difficult circumstances. I know what a massive operation it was. I have had a full report on it and, as Congressman Morrison knows, everybody from the President on down was tremendously interested in this thing. The President woke me up at 1:30 in the morning to tell me they had found the barge.

Mr. MORRISON. If the gentleman will yield—you remember how much pressure was put on you, myself, and other members of the delegation to get the river open; how much traffic had backed up and what a very, very serious problem that it was, and I think that at this time I would like to commend the Tennessee Gas Transmission Co. for the great act of generosity. They not only supplied the equipment that I think was the detection equipment or the electronic device that was put on the U.S. Engineers' boat that found this barge, but the Tennessee Gas Transmission Co. furnished several of their airplanes that flew in a lot of supplies in the way of food and in the way of clothing and other things in connection with this hurricane, and it was their equipment and their two technicians operating that equipment that finally found the barge on your boat. Is that right?

General DAVIS. For the record, Mr. Chairman, I think Tennessee Gas Pipeline Co.

Mr. MORRISON. I mean Tennessee Gas Pipeline.

Mr. BOGGS. Mr. Chairman, excuse me again. I think that the record will show that as a result of this barge sinking, that commerce on the Mississippi River was held up for a matter of days and that this contributed tremendously to the loss of this section of Louisiana. Now, the port of Baton Rouge, which is a vital part of this community and the port of New Orleans suffered a great deal as a result of this activity.

The Department of Agriculture, as an emergency measure, released 3 million bushels of grain to ship by rail in order to load ships awaiting loading in New Orleans because of this situation. That is why I am dwelling on this. I think the records should show these facts as well.

General DAVIS. I would not like to leave here, Mr. Chairman, without paying credit to the Navy and to the Coast Guard and to Army divers who came from elsewhere who participated in this search.

Mr. MORRISON. There were some 30 in number, weren't there?

General DAVIS. Yes, sir.

Mr. GRAY. Thank you very much, General Davis.

Colonel Bowen.

Colonel BOWEN. Mr. Chairman, Members of Congress, as General Graham indicated, I will not review again what we covered yesterday which was primarily the heavily damaged coastal area. But briefly, I will show again this first chart, the path of Hurricane Betsy with the wind velocities and also shown in yellow are the parishes of the disaster area.

(See chart facing p. 39.)

You have seen and heard of the terrible destruction caused by the winds and waters of the coastal area, and here in Baton Rouge you will see and hear of the damage in the interior part of the State. This high elevation area did not suffer from the floodwaters as did the coastal country. However, the winds of hurricane force were only moderately less severe. Some minor flooding occurred along the low lying areas along the north shore of Lake Pontchartrain. I think from the discussion of the project yesterday, you will recognize that, with the Lake Pontchartrain hurricane protection in place, the tidal flooding in that lake basin will be eliminated.

Thirty-five parishes in the southern and eastern parts of the State were damaged. These parishes were the ones declared a disaster area and are now struggling to clear their wreckage.

Damage in the area surrounding Baton Rouge and to the north consists mainly of stoppage of drainage ditches, damage to small buildings and homes, damage to pole-supported utilities, and considerable damage to commercial timber and forest.

After Betsy passed through this area, we had our engineer assistant people move out to contact the local government officials and good progress has been made in assisting these officials.

The work in this area is being prosecuted by contracts executed either by the local officials or by contracts executed by the Corps of Engineers. Generally throughout this area the local governments are executing the contracts themselves. That is a tremendous help throughout this overall disaster recovery because it permits us, particularly the corps, to concentrate our efforts in the more severely hit areas where we only require one engineer in residence with maybe several of the local governments.

In either choice, the cost will be paid by Public Law 875 funds. As previously indicated, I have the authority to make reimbursements directly from my office in New Orleans. Also, that is the reimbursement made to the local governments on the work they do themselves which is in the eligible category. On Friday we made the first two disbursements to local governments.

As already mentioned by General Davis, the added problem in this area was the loss of the chlorine barge 602. This barge was moored in a fleet of other barges on the east bank of the river about opposite LSU. Approximately in that area was the original mooring position.

The river stage at Baton Rouge rose 8 feet in a few hours and that in combination with the hurricane-force winds tore this vessel from its moorings. Many other vessels were also beached and others sunk.

Late on Friday, September 10, the Coast Guard reported that the chlorine barge 602 was missing. Early on Saturday, separately, the Corps of Engineers as well as the Coast Guard made aerial reconnaissances of the entire river from New Orleans to above Baton Rouge. At the same time, both of those services with the large number of pri-

vate navigation interests were making surface trips covering the same part of the river to locate this barge.

After those reconnaissances we assumed that the barge was sunk. Accordingly, on Saturday evening, I closed navigation to a 37-mile stretch through Baton Rouge Harbor, generally centered it on the harbor.

Mr. GRAY. As a safety precaution?

Colonel BOWEN. As a safety precaution, yes, sir; because in this area you have both deep craft shipping as well as the barge.

This notice of navigation closure was passed to all mariners through Coast Guard channels.

On Sunday, September 12, an intensive search of the area began with the hastily marshaled forces of the Corps of Engineers, the Navy, and it included the Navy destroyer and two search planes, and the Coast Guard, all under the direction of my deputy, Lt. Col. Larry Norton. And for Congressman Jones' benefit, Mr. Chairman, I would like to recognize that Colonel Norton is a native of Alabama and a citizen of Florence, Ala.

During the search there were a number of sunken vessels located in the following 4 days, each of which was examined by Navy and/or Army divers. It was not until Thursday afternoon that a positive profile of the barge was found. It was located under a cluster of floating barges close to the east bank and just below LSU stadium. That map shows the exact position.

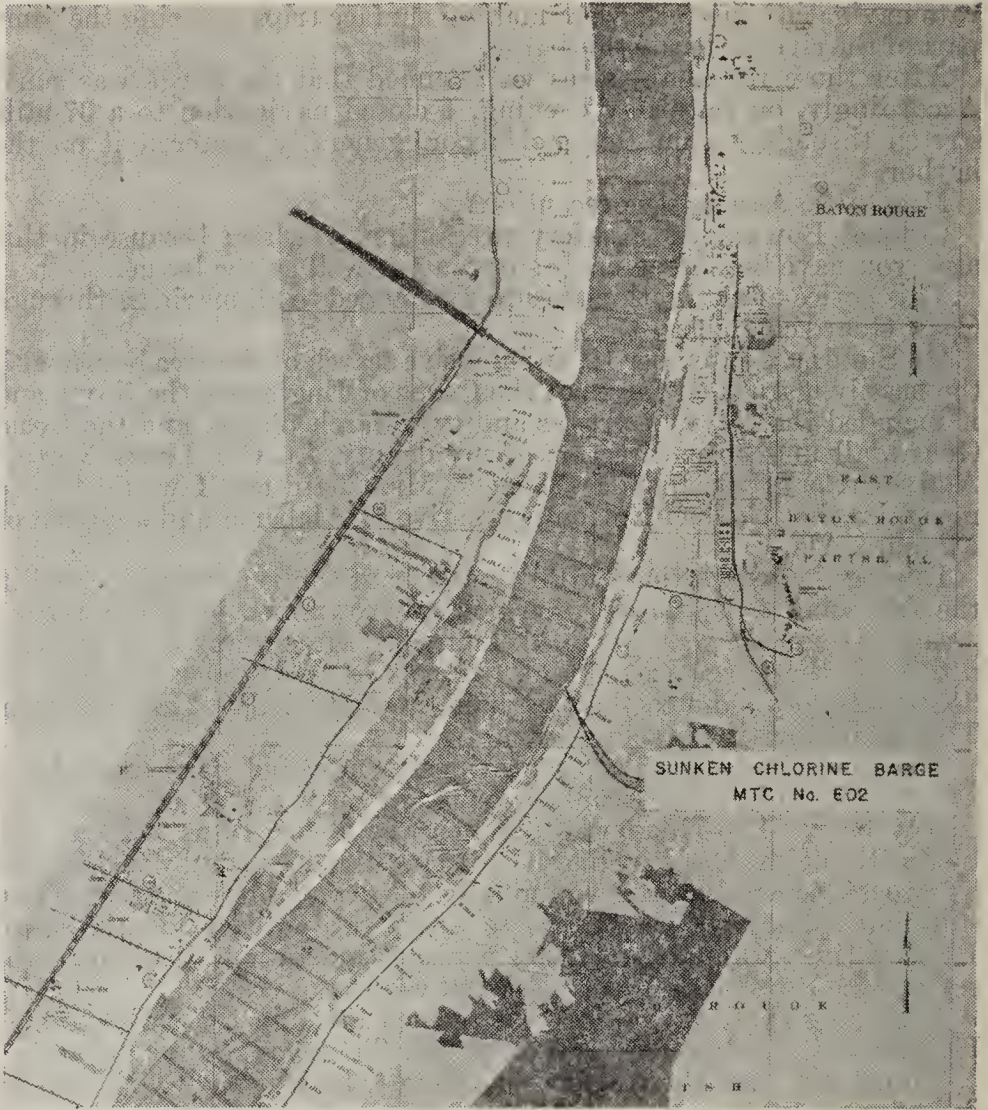
The identifying profile, as previously indicated, was made by a Honeywell underwater scanner, mounted on a Corps of Engineers survey boat. The Honeywell scanner was loaned to us without cost by the Tennessee Gas Pipeline Co., of Houston, Tex., and was operated by two of their technicians voluntarily. Navy divers soon secured two shipping seals from this barge to prove the positive identification. By that time, we had in Colonel Norton's possession all of the eight seals of the Pittsburgh Plate Glass that were on the barge.

Following that, navigation was opened through the Baton Rouge Harbor and the closed area, at midnight, Thursday, September 16.

I must say that the navigation interest, both deep sea as well as inland, were very patient, but they were also checking as to how we were coming, because it was a great inconvenience to them, and of course a loss of profits to them and certainly commerce to the area.

At the present time our work on barge 602 is finalizing the exact condition and the position of the barge.

They have seen that one.



Location of chlorine barge MTC 602 sunk during Hurricane Betsy, Baton Rouge Harbor, La.

If I might have that next sketch; just leave it on the floor there. The next sketch there is in addition to the sketch used by General Davis.

This is an artist's concept of the barge and its position as we now see it. You can see that it is angled to the bank; it is shallower near the bank and it is in deeper water on the end. It appears to be in good condition. There is a small amount of debris against it but no particular problem.

As earlier indicated in its present position it is not an obstruction to navigation; it is a public safety hazard.

Also, I would like the committee to know that within the corps, that we have with us in our project operation here, the experts who worked on the Natchez chlorine operation as well as the additional people from my district. We have a chlorine institute professional man in constant



Location of chlorine barge MTC 602, sunk during Hurricane Betsy, Baton Rouge Harbor, La.

residence with our operation, and we also have with us the chief engineer of the Department of Public Works of the State of Louisiana so that all engineering aspects are understood and agreed at all times.

General Davis has covered the State safety plan in which we maintain liaison with the responsible individual of that plan.

Mr. GRAY. Do you intend to explain your proposed operation? Are you going to try to raise this thing, or what?

Colonel BOWEN. At the present time, Mr. Chairman, we cannot explain that because we don't have it. We have, if you will, brainstormed among our own group, the group that I just described, the pros and cons and the best choices, and since we are leading to the point of getting several of the outstanding contractors, including the one who did the last job, to come in a few days, to receive the condition and the guidance that we have, and then we get from them the proposal of the method. Then considering not only the engineering aspects but the safety as well, as the rate of progress, we will then choose the best method as well as the contractor.

Mr. GRAY. Do you have a question, Mr. Willis?

Mr. WILLIS. Yes. With reference to the *Natchez* salvage or lifting job, that man was Mr. Edwin Kyle from Morgan City or he was one of them, was he not?

Colonel BOWEN. He was a part of the combine, as I read the report. Brown & Root plus Triple CCC Boats, Inc. which was that service.

Mr. WILLIS. I think they did a very nice, creditable piece of work.

Colonel BOWEN. So I understand.

Mr. Chairman, that covers my part except to say again for my people in the New Orleans district, I again express our appreciation

to the State and the local as well as the Federal agencies who have rendered such outstanding help and continue to render such help to us in the district.

Mr. WILLIS. Mr. Chairman.

Mr. GRAY. Yes, Mr. Willis.

Mr. WILLIS. Colonel, it is not necessary to repeat in detail what we covered yesterday with reference to the two or the three hurricane protection projects that were authorized just last week by Congress. One of them was named this morning. That is to say the one in and around the Lake Pontchartrain area.

We are now in Baton Rouge and many of my constituents are here. The two others authorized by Congress are what is called the Grand Isle and vicinity hurricane project which would stretch from Grand Isle to Larose, roughly. Is that correct?

Colonel BOWEN. That is right. Yes, sir. The basic protection is at Golden Meadow to Larose.

Mr. WILLIS. Now, the next one affects Morgan City and vicinity areas.

Colonel BOWEN. Yes, sir.

Mr. WILLIS. Those two areas are within my congressional district and you testified yesterday that based on the experience of Betsy and of course of Hilda, but more recently of Betsy, that it was your view and opinion that if those two authorized projects had been in being before Betsy, outside of course from the wind forces, those two would have been effective as to tidal and flood effects.

Colonel BOWEN. That is correct, Mr. Willis. Had those two projects been in place, they would have prevented the flooding which affected those areas. As indicated yesterday, there was only minor, short duration flooding in the vicinity of Golden Meadow.

Mr. WILLIS. Well, now that the projects are authorized by law and in the presence of my good constituents in that vast and popular and important area of my district, I hope, as usual, you will move with rapidity to bring that about.

Colonel BOWEN. Yes, sir. You know we will as rapidly as the Congress gives us the money.

Mr. WILLIS. That is a very good statement, but may I say that in the bill this year there is some planning money for that as you know.

Colonel BOWEN. Yes, sir.

Mr. WILLIS. And in order to compare the Washington system with the system that prevails at State level, or quarterly or whatever, the State senator wants. Here at State level we pass a bill and in passing it we also provide an appropriation as part of that bill.

At Washington level you have first to pass an authorization bill and only when that is authorized can we get the necessary appropriation.

Now, let me say without any fear whatsoever, that with our congressional composition, both on the House side and on the Senate side—Senator Ellender is chairman of that money committee—that we will let you have the money right away.

Right now you have the authority. You can brag and say: "Well, give me the money." I am telling you, we will give it to you right away.

Mr. MORRISON. Colonel, one thing I want to ask you about this barge. It seems to me I don't know of any more hazardous or terrible, you might say, body or small body of disaster that is housed in that barge than that dangerous chlorine liquid which turns into gas and if it came loose it could kill thousands of people. What precautions, or do you know if any precautions were made when this hurricane and these warnings were given that the hurricane would probably hit Louisiana? Were there any extra precautions made to help secure that barge or to take care of it in an impending disaster that they assumed was going to hit in this particular area?

Colonel BOWEN. I am not knowledgeable of that Congressman Morrison, so I really cannot be responsive to the question. It is not in our domain. Others disseminate the weather information; others relay warnings to the people.

Mr. MORRISON. Well, they had warnings. There is no doubt about that, but do you know of any knowledge that you have been able to get that the owners of that barge took any extra precautions as a result of those warnings?

Colonel BOWEN. I am not aware of any, sir, and neither have I sought such information.

Mr. MORRISON. In other words, in your judgment and experience do you think if these extra precautions had been taken, more cables, more lines, more precaution had been taken on this barge, that it probably wouldn't have broken loose?

Colonel BOWEN. I would say that the present evidence that we have now, that if there had been more cables to that barge, you would have had a similar condition that was at Avondale Shipyards. More cables would have merely uprooted whatever it was tied to.

Mr. MORRISON. You have a dangerous instrumentality there, one of the most dangerous instrumentalities that you can have. Now, we have that on the Mississippi River. We have hundreds of thousands of people living all around this area. We have to have river commerce, and while it is true there is hazardous transportation over the highway of flammables, like gasoline and airplane fuel and all of that; now just what should be done to prevent what happened here because a hurricane happened to do it this time?

It seems to me that if an isolated tornado happened to hit a certain spot at a certain time where that barge was, the same thing could happen again. What should have been done? What could have been done to have protected the city of Baton Rouge and this whole area with the knowledge that in a day or two a hurricane would likely hit this area, and the evacuees were pouring in from the lowlands of Louisiana, what could have been done to protect the people from that barge?

Colonel BOWEN. As previously indicated by General Graham, they have started through the right channels, the Coast Guard, to get certain additional, proper, protective measures both to protect the barge from such occurrences as well as getting certain identifying things that could be useful in case you do lose one, which you always have.

The other part, what could and should be done, to my general knowledge of the working and handling of the navigation in this Louisiana lower coast, which is probably the highest concentrated of anywhere in the world, including the offshore, that these mariners and

navigators are top experts themselves and they are extremely responsive to dangers as reported; particularly weather and hurricanes. They do extremely well as unfortunate as this case indicates.

Mr. MORRISON. Well, assuming I am the owner of that barge and I would know for a day or two, or 2 days previously, that there is a hurricane in the Gulf of Mexico that could hit Louisiana, and there were speculations as to whether it would hit Alabama, Florida, Mississippi, Louisiana, or even Texas, couldn't that company—or assuming like I say, I am making an example of myself—if I owned that barge, couldn't I have hired a tug and gotten that tug connected up with that barge? And assume that if a hurricane did hit Louisiana full force, it would affect that barge, and since it is such a dangerous instrumentality, couldn't I have taken that barge upstream and taken it far enough up the Mississippi, that if it was still attached to a tugboat there wouldn't have been but a very minimum amount of possibility of damage? Wouldn't that have been possible?

Colonel BOWEN. Yes, sir; if you were in the company as you indicate. That could have been your choice, and if you had the communications to keep things scattered through the State responsive to the situation as well as your needs—

Mr. MORRISON. Well, I don't see this. If I owned that dangerous instrumentality, I don't see that I have any other choice but to get it out of the hurricane area. And the only way to get it out—you cannot take it overland—the only way to get it out would be to attach a tugboat to it and head up the Mississippi River.

In your judgment, how far up the Mississippi River would that have had to have gone, and how long would it have taken to get it where it would have been out of danger, if say you hitched a tugboat to it and headed north?

Colonel BOWEN. Well, he can move it upstream at about 6 miles an hour. I assume when you say "out of danger" you mean out of reach of the hurricane area.

Mr. MORRISON. Yes.

Colonel BOWEN. Just where the hurricane left the river there, I am not sure. Part of it was severe on up to Wisner which I think is opposite, generally, Vicksburg there. But you have quite a route there to get it out.

Mr. MORRISON. Well, assume that a tugboat was taking that barge at Vicksburg and headed north. The chances are that that barge never would have sunk. Don't you agree to that?

Colonel BOWEN. Well, certainly, sir. The further you move it away from the center of the intensity, and, of course, this was on the edge of that, the better your probabilities of accident.

Mr. MORRISON. One thing I want to do Colonel, as I did in New Orleans, I certainly want to compliment you and the generals here who have testified and all the top officials of the U.S. Engineers for your very excellent and very outstanding work in this very time of catastrophe. Also, on all occasions that our congressional delegation has seen fit to call on you, and I can certainly speak for myself, the many times that I have called on you, you have been most cooperative. You have tried to do everything possible with the organization.

I remember years ago when they were talking about turning the functions of the U.S. Engineers over to the Interior Department and I

remember our delegation was solid in the opposition of that and did it on the very basis of, I think, what you are here to testify to today. That everything that the Corps of Engineers has done, is done with the planning and the thinking and on solid ground and have done an outstanding job well planned, well thought, and well done. Your working out that way of getting that broken barge up at Natchez and the many other things, thousands of projects other than that, I think are testimony to the great organization of which you head up here in the State of Louisiana. Our thanks on behalf of the Sixth District to you and your wonderful organization for a magnificent job that you have always done for us.

Colonel BOWEN. Thank you, Congressman.

Mr. GRAY. Mr. Boggs.

Mr. BOGGS. Colonel, just one or two more questions about the barge. To your knowledge, were there any similar barges between say the mouth of the river and Baton Rouge—chlorine barges?

Colonel BOWEN. Not any filled ones to my knowledge. I believe there was one other in the general vicinity. At least we had the opportunity about 3 days after the sinking to study it and examine it, but it was not identical. It was somewhere in the general vicinity, but not loaded. There was one newly manufactured that was in the lower—oh, just above Avondale. But it was also not loaded with chlorine.

Mr. BOGGS. My second question is, When the hurricane warnings were given, was it possible to unload this chlorine without moving the barge?

Colonel BOWEN. That, sir, I don't think I am competent to answer. Only in a general way, knowing the vicinity where the barge was tied up, upstream to the chemical company, I guess it's Dow, who apparently has the capability of handling this. It is several miles away and, of course, you also then enter—

Mr. BOGGS. Well, wait now. Just a minute. Congressman Morrison pursued the question of whether or not you had to transport this barge above the tidal influence in the river, if there was an area here within Baton Rouge where this chlorine could have been safely unloaded, wouldn't that have been the logical thing to do?

Colonel BOWEN. That is why I say, you have me in an area that is beyond my competence.

Mr. BOGGS. Well, let me put it this way. Did anyone have any knowledge as to whether or not there are any areas here where you unload chlorine barges?

Colonel BOWEN. Is there any one who has it.

Mr. BOGGS. Yes.

Colonel BOWEN. We have had a chlorine institute representative with us plus the Pittsburgh Plate Glass. Of course, they know. What the exact preliminaries at the time this occurred is something else that would have to be studied.

Mr. BOGGS. Wait a minute. You don't understand my question. My question is that here was this barge loaded with this deadly gas, hurricane warnings posted all over the area and the logical thing to do was to dispose of the chemical—get rid of it.

Colonel BOWEN. Yes, sir. This particular one it takes 32 hours to unload it and, of course, having it in an unloading configuration,

of course, then is the worst condition you could have it. You are better to have it sealed completely in the safest condition.

Mr. BOGGS. I understand. That is a very good answer.

Now, one other question.

Will there be an inquiry made of all of the facts surrounding this? I mean by the engineers, by the Coast Guard?

Colonel BOWEN. Within our own responsibility, sir, we will make the inquiry and make the final report. What other agencies will do, I cannot say.

Mr. BOGGS. That is all.

Mr. GRAY. Thank you, Colonel Bowen.

Colonel BOWEN. Thank you, Mr. Chairman.

Mr. GRAY. The next witness will be Hon. J. D. Hair, Department of Wildlife and Fisheries of the State of Louisiana. Mr. Hair, will you please come forward. We will try to move on very rapidly.

STATEMENT OF J. D. HAIR, DEPARTMENT OF WILDLIFE AND FISHERIES OF LOUISIANA

Mr. HAIR. Mr. Chairman and members of the committee, part of this report was included in the report given to you yesterday by the Governor. We have several things that we would like to bring out and I have a representative of the oyster grower's association who would like to appear right behind me to bring up some of the immediate problems that we feel have to be solved and have to get some help on in the next few days.

The oyster industry, of course, in certain areas can be very extensive. We know already a lot of the boats have been destroyed. A lot of your oyster camps, particularly in the delta area were totally destroyed.

Of the seven canneries we have here in the State, three were completely demolished. We have three that are partially up.

Reports from our oyster lease holders west of the river so far have indicated a total loss of oysters. This represents 60 percent of all the private leases covering about 50,000 acres of our land here in the State of Louisiana. It is probable that the oyster production, of course, will be down as much as 50 percent.

The cost of rehabilitating this industry is going to be tremendous. It is too early for us to come up with a figure, but I would like to hold an opening to where we can submit a complete report to you, say, sometime next week for a matter of the record. Also, on our shrimp-ing industry.

Of course, we've got two problems here. It is not so much as the shrimp being available. The few boats that we have that were not destroyed and have been able to go out, the catches have been very good, but the damage to the industry, of course, is in two different ways.

We have had a lack of power to operate the canneries. And then our main, of course, is the areas where our largest harvest is. We have so much floating debris that it is almost impossible for these nets to operate without getting torn up. We have got to get in quite a few of these lakes and get in pretty soon. If we don't, we are going to lose that segment of the industry too.

The complete report will cover a lot of things, but we do not want to impress upon you that in the shrimping industry we have so many of these people—of course, the only thing they have is just the boats and the ability to catch the shrimps—and a lot of these people have lost everything. Their homes and boats, nets, and everything, and there is a tremendous problem there.

Mr. Chauvin with the oyster growers association——

Mr. JONES. Mr. Hair, I would like to refer you to the Alaska relief bill. That provides for the relief of the fishing industry and was a considerable part of that relief bill.

Mr. HAIR. Yes, sir.

Mr. WILLIS. Mr. Chairman, may I direct a question to the witness?

Mr. JONES. Yes.

Mr. WILLIS. Mr. Hair, I am very aware and concerned about the shrimp and oyster industries and the condition they find themselves in. Yesterday, Mr. Chadwick, representing the American Sugar Cane League, as well as a gentleman speaking for the Farm Bureau in New Orleans, advocated legislation along this line, which, by questioning on my part, developed to also include fish, shrimp, and oyster industries, and that proposal, which had a great appeal to the members present yesterday——

Mr. JONES. You mean some members.

Mr. WILLIS. Some members—reserving always the right of anyone to have his own ideas, of course—would work something like this: that when in the case of a disaster such as a hurricane, a farmer or oysterman or fisherman or shrimpman, after the end of the year of his operation he found out that we could not produce enough crops or fish, or shrimp, or oysters to pay the obligations he incurred to grow the crop through farm-lending agencies such as a production agency and so on and he was left with unpaid loans and other bills that law could be proposed to refinance that or to finance that back debt that he owed and be given as to that a 10-year payoff 3 percent loan and in addition, of course, the farmer could borrow from the production credit associations and so on to keep in business.

Now, would that type of legislation help your situation?

Mr. HAIR. Yes, sir; I am sure it would, Congressman Willis. I think that is more or less the way that we would have to go.

I would like for Mr. Chauvin, if we could, with the oyster growers, to come up and give us some idea——

Mr. WILLIS. Well, I have here, and I don't think it will be necessary, but Mr. Chairman, I have the statement of Mr. Leroy Chauvin, vice president of Louisiana Dealers & Growers Association, which I will ask to be inserted in the record following his testimony.

Now, it was suggested to me that I ask if Mr. Jack Frost, the Director of the Farmers Home Administration, is in the audience. Is he here?

Mr. HAIR. Yes, he is here.

Mr. WILLIS. Mr. Frost——

Mr. JONES. Well, let us let the witness continue his testimony.

Mr. WILLIS. Well the question was whether he agreed that there was no administrative relief possible as a part of a proposal——

Mr. JONES. Let us proceed with the present witness and then Mr. Frost will be available for questioning later on. He is in Washington

and we have to take care of the people here, and then we can proceed to take the Washington people at a subsequent date, if necessary.

Mr. WILLIS. I was just asking whether the witness was correct that there was no available agency relief.

Mr. JONES. Well, I can answer that question immediately. The subordination has been a rejected policy of Congress since we have been in the lending business. So, that question is answered as of now. Then we will come back to Mr. Frost. Let us let the witness proceed.

You may proceed, sir.

Mr. HAIR. That concludes my testimony, Mr. Chairman.

(The report of Mr. Hair and statement of Mr. Chauvin follow:)

A REPORT TO THE FLOOD CONTROL SUBCOMMITTEE OF THE HOUSE PUBLIC WORKS COMMITTEE ON EFFECTS OF HURRICANE BETSY ON LOUISIANA'S SEAFOOD INDUSTRY

(Prepared by the Louisiana Wild Life and Fisheries Commission, J. D. Hair, Jr., Director)

Since Hurricane Betsy smashed through Louisiana's coast a continuous effort has been made to assess the damage caused by this vicious storm to the State's valuable seafood industry. In the initial posthurricane days little information was available but as more and more fishermen return to investigate the damages to their camps, boats, equipment, and fishing grounds, a picture of the total devastation begins to take form. Needless to say, the fishing industry will feel the effects of Betsy for several years from a production standpoint and for an even greater length of time from a financial standpoint. In some cases individual fishermen may be put permanently out of business and forced into bankruptcy because of their personal losses of boats, equipment, camps, etc.

In order to fully understand the short- and long-term effects of Betsy on the seafood industry the damages must be assessed in several categories as follows:

1. Damages or loss of oyster production from the standpoint of the 1965-66 season and for future seasons.

2. Damages suffered directly by the oyster fishermen, such as the loss of or damage to camps, boats, equipment, and the initial 1965 seed oyster plantings.

3. Damage or loss of shrimp production in 1965 and in subsequent seasons.

4. Damage to shrimp fishing equipment, and associated industries.

5. Damage to other fisheries such as food fish, crabs, and sport fishing.

6. Possible losses because of pollution or related causes.

In the following report each of the above categories will be discussed separately.

EFFECTS ON OYSTER PRODUCTION

To fully recognize how Hurricane Betsy affects oyster production from the standpoint of present and future availability of oysters on the fishing grounds one should be aware of the fact that oyster culture in Louisiana is essentially a farming operation. The oyster farming procedure involves generally the removal of seed oysters from the State-managed seed grounds east of the Mississippi River to private leases on both sides of the river where the seed oysters are tended, cultivated, and fattened before marketing. This operation is generally on an annual basis with the season starting September 1 and harvest usually being completed by the following May. Exceptions to this system occur in that some private growers produce some of their own seed and some beds are in continuous production but on a rotational basis. Because of this some of the oysters normally planted in 1965 may not be expected to be marketed until 1967.

The path of Hurricane Betsy across the Louisiana coast was slightly west of the mouth of the Mississippi River and apparently nearly parallel to the river until north of Baton Rouge. This route was over the heart of the oyster-growing region, which for the most part extends from Vermilion Bay to the Mississippi line. The east side of the river, encompassing nearly all of the oyster seed grounds, some 450,000 acres, and about 30 percent or 39,880 acres private leases, was subjected to gradually rising and then extreme high tides and winds. Since the water in this area did not recede with the approach of the storm the effects of wave actions on the bottom was less severe than on the west side of the river and less silting of reefs occurred. Thus far the principal damage detected to oyster bottoms east of the river is the covering of vast areas with marsh grass

and debris that was deposited on the beds by falling tides. In some areas this resulted in oyster mortalities where the debris was dense. In areas of less density, mortalities usually do not occur but the mass of material makes harvesting a problem and increases the expense of moving the product.

To the west of the river directly in the path of the hurricane was some 500,-000 to 60,000 acres of leased oyster bottoms representing approximately 60 percent of the private leases in the State. Most of these leases had recently been planted with seed oysters initiating the 1965-66 season. In this area waters rapidly receded ahead of the advancing hurricane until most of the embayments were virtually dry which were then subjected to extreme winds and a rapidly moving tidal surge. This combination of factors caused many leases to be silted over, others to have all oysters and shells swept away while some were apparently totally destroyed and are not replantable. Most areas examined to date appear to be devoid of oysters and at best must be replanted.

As a direct result of Betsy, oyster production in 1965 will be greatly reduced and delayed. Nothing can be done until the fishermen can return to work and areas can be replanted. Since large quantities of the first plantings of choice seed were destroyed the remaining seed will be scarce and of poorer quality. The net result will be a loss of production in the 1965-66 season by possibly 50 percent. Production in subsequent seasons should not be materially affected.

DAMAGES SUFFERED BY THE INDUSTRY AND THE INDIVIDUAL OYSTER GROWERS

Though the loss of possibly half of the annual oyster production will amount to a several-million-dollar decrease in State income and will inconvenience many consumers the damages to the physical assets of the industry and the individual oyster grower is tragic and extreme. In total, this loss will far exceed the damage to the oyster crop itself and unfortunately most of the properties were either uninsurable or uninsured. A summation of such physical damage includes, three of seven canneries demolished, and a fourth badly damaged. Many boats destroyed or damaged to the extent that they will not be operable for some time to come. Large numbers of oyster camps, associated machinery, and equipment lost while most of the initial oyster planting have been killed. In addition many oyster growers had their homes demolished since they live in or near the oyster growing area. The net result is a near destitute industry and some individual oyster growers faced with insurmountable uninsured losses. It is apparent that even with some part of the oyster crop still available for harvest it may not be harvested because the grower cannot overcome his personal losses. It is in this area that aid is most needed. The oyster grower by nature is a hardy individual, and once he is reequipped, will reestablish production in one or two seasons but if it becomes necessary for them to absorb their loss without liberal aid or long-term, low-interest loans, it will take years for recovery and many individuals will be forced into bankruptcy.

EFFECTS ON SHRIMP PRODUCTION IN 1965 AND SUBSEQUENT SEASONS

Information on the effects of hurricanes on shrimp production is limited and those few observations available frequently show short-term increases in production subsequent to hurricanes. Since shrimp or fish are mobile and can move to deep water or away from hurricane forces, momentary changes in population after hurricanes may not be a measure of loss or mortality but actually a shifting of population. Frequently excellent shrimp catches are reported to the west of storm centers, and in deeper offshore waters after the hurricane, with a subsequent decline in production as the season progresses. Following Betsy much the same pattern has occurred, good catches are reported to the west and offshore and near the Mississippi River Delta. Whether a decline will occur in the last 3 months of the season is unclear. Strong movements of juvenile shrimp into the nursery grounds were occurring prior to the storm, extreme tides, winds and subsequent oxygen depletion in the water may have destroyed this part of the crop.

The most serious effect on shrimp production may be a physical one. Many of the best producing inside bays are now littered with debris from destroyed houses, camps, trees, logs, etc. This trash will greatly hamper if not totally prevent trawling in many areas.

In final analysis it is improbable that the loss in shrimp production will be serious or permanent. Production was excellent until September 9 and some good catches probably will occur throughout the remainder of the season. No

doubt more shrimp would have been caught without the hurricane but it is impossible to determine the loss.

DAMAGES TO PHYSICAL ASSETS OF THE SHRIMP INDUSTRY

The privately owned physical part of the shrimp industry suffered considerable damage though apparently not as much as the oyster industry. The greatest damage apparently occurred to the smaller boats which fish inside bay waters and in particular the fleets at Lafitte and in Plaquemines and St. Bernard Parishes. Large boats suffered less damage and surprisingly none of the shrimp canneries are reported to be seriously damaged.

Damages and loss of electrical power to associated industries such as docking facilities, ice and freezer plants prevented an immediate return to fishing after the storm. In some cases these problems may delay a full fishing effort for several weeks.

HURRICANE EFFECTS ON OTHER FISHERIES

The effects of the hurricane on other fisheries such as food fish, menhaden, crabs and sport fish is not clear but it is not believed that great loss occurred. More than half of the coast was not greatly affected by Betsy and all of these species can move and protect themselves in the face of heavy weather. Some of all the species were killed by the rapidly moving tidal surge which entrapped them behind levees and in marsh and land areas normally dry. While dead fish from this cause were numerous in areas inundated by extreme tides, the total kill in ratio to total population was negligible. As in the case of other fisheries, damage and loss of physical equipment was considerable and represents the greater storm losses. For example, two large menhaden processing plants were badly damaged and will be closed for the remainder of the season. Floating equipment used by the menhaden industry, however, was not damaged, but damage was incurred by the crab and food fishing fleets.

POLLUTION AS A RESULT OF THE HURRICANE

Fortunately major pollution that would be a blow for the fishing industry, did not occur as a result of the destructive storm. Immediate examinations by health officials indicated all oyster areas free of pollution. Some localized problems did occur, however. Waters trapped behind levees developed an oxygen depletion resulting in localized fish kills and broken pipelines and oil facilities resulted in some areas being polluted by oil.

SEPTEMBER 25, 1965.

HON. EDWIN E. WILLIS,
*Congressman, Third Congressional District,
House of Representatives, Washington, D.C.*

DEAR CONGRESSMAN WILLIS: The Louisiana Dealers & Growers Association is quite apprehensive and concerned about the present and future conditions of the oyster industry in south Louisiana as a result of the devastation brought by Hurricane Betsy.

As you are well aware the oyster fisherman must make preparations 2, 3, sometimes 4 years in advance of the season in which he hopes to harvest his oysters.

As a consequence, the vast majority of all the oyster fishermen in south Louisiana have had oyster crops that have been bedded for 2 and 3 years which have been virtually destroyed.

This has caused a serious economic crisis among the oyster fishermen since it is traditional among the oyster fishermen that they will have mortgaged their properties quite heavily in the year in which they hope to harvest their crops, not only in the harvesting of the crop of the current year, but also in making preparations for following years.

Therefore, Hurricane Betsy might very well ruin the oyster fishermen of south Louisiana since they have not only lost this year's oyster crop, on which they were heavily depending, but have lost future prospects.

This is particularly unfortunate at this time because of the bedding and preparation of oysters for the next 2 or 3 years will have to be made during this year's oyster season. Therefore, the oyster fishermen will not only not have any ready cash from the current season but have also suffered losses to their personal homes and property. In addition, the oyster fishermen have depleted their operating capital for this season.

The oyster fishermen of south Louisiana are deeply appreciative of the assistance and efforts that have been received from the SBA and the Department of Agriculture. However, we do not feel that these efforts are being coordinated in such a way as to offer the immediate and long-range assistance which our oyster fishermen need so desperately, now.

We understand that the SBA has offered loans to our oyster fishermen at 3-percent interest for 30 years on an individual basis with the pay back condition based on the capacity of the individual fisherman to make the pay back at the fastest possible rate of time with a 30-year limitation in those cases where it is necessary.

The SBA, we understand, will take first and second mortgages on the shops and buildings of the fishermen as stated, and on their boats, but it can be readily seen that the fishermen can have their oyster processing plants and boats in first class condition, but this will not help if there are no oysters to harvest.

We understand that the Department of Agriculture will assist the oyster fishermen by making a loan for reseeding of the oysterbeds. These loans are at 3-percent interest and are made for a 3-year payback. However, since the oyster fishermen's leases are obtained from the State of Louisiana, the Department of Agriculture cannot take liens on these leases, they will therefore require that mortgages be taken on the real estate and boats belonging to the fishermen.

There are two points that must be taken into consideration. First the SBA will have mortgages of the boats and real estate and a 3-year loan will not be of too much assistance because of the character of the operations and the years of preparation.

We would appreciate your assistance in asking to coordinate the efforts of these two Federal agencies to see if it would be possible to make the loans for rebidding on the same basis that the SBA has offered to make the loans with the mortgages of the buildings and boats.

You might point out to these Federal agencies that time is very important since we are presently in the oyster season and that most of the fishermen have borrowed their operating funds for the current season which are exhausted.

In behalf of the Oyster Dealers & Growers of South Louisiana we recommend that you cannot stress too strongly to the Federal Government that our oyster fishermen are not asking for charity or any grants of money from the Federal Government, but that they are only asking for assistance which they will pay back to the Federal Government, and in order to receive this assistance they are willing to give mortgages on their businesses and personal belongings. Your cooperation in this time of great need will be deeply appreciated by the Oyster Dealers & Growers of South Louisiana.

Yours very truly,

LOUISIANA DEALERS & GROWERS ASSOCIATION,
LEROY CHAUVIN, *Vice President.*

Mr. JONES. Now, Mr. Frost, you can come forward.

Mr. WILLIS. I wish Mr. Hair would remain. I understand that to give the ultimate relief that appears to be essential and appropriate that you do not have the administrative or lending facilities to go as far as this witness and yesterday's witnesses indicated we should go.

STATEMENT OF JACK FROST, DIRECTOR, EMERGENCY LOANS, FARMERS HOME ADMINISTRATION, DEPARTMENT OF AGRICULTURE

Mr. FROST. Mr. Chairman and members of the committee, I believe I prefer to answer the Congressman's question in telling him what we can do if we have time to do that and leave it to his judgment.

Mr. JONES. Well, the one question that you have before you is the subordination of loans which you don't have the authority to do. Now he is suggesting by the proposal made yesterday to the committee as to whether or not that would be a wise policy for the Government to pursue.

Mr. FROST. Of course it would be improper for me to comment on that.

Mr. JONES. Of course. Even back in Roosevelt days to the present time no President has ever suggested in a lending operation that you would make a subordination of loans.

You will recall in the Farmers Home Administration in 1952 and 1953, in the relief acts, that was emphatically stated in the reports of the Congress and the decision of the Congress, the administration—I said 1952—1948 it was that that notion was rejected.

Now the same thing can be accomplished in a more affirmative way. Like giving loans to people on their capabilities of making annual commitments to that loan, rather than the subordination of the loans.

Mr. WILLIS. Mr. Chairman, may I say this: I could care less how this thing could be accomplished if relief is given. I am so fond of the chairman, I am afraid the audience might be getting a notion that the chairman and I are in disagreement. We are not. I think he indicated a while ago that the committee was confronted with a similar situation in Oregon, I think you said, or was it Oregon or Alaska?

Mr. JONES. In Alaska.

Mr. WILLIS. In Alaska; and that effective relief was granted.

Mr. JONES. Well, it was not subordination of—

Mr. WILLIS. Well, I am not insisting that it be subordination. You did say that even a more affirmative or ideal and practical and acceptable solution was at hand and that is the only thing I am appealing for.

Mr. FROST. Mr. Chairman, may I take just a half a minute and say that we do have a very definite plan for financing oyster plants. I have been in an outer room discussing that plan with them. We are going to meet with a group of them Wednesday morning and explain that plan to quite a few of them. It does authorize us, in addition to financing the renovation and replanting of oysterbeds, to pay some interest on the debts that they owe, and to work very closely with their other creditors, but not to subordinate it as you said.

Also, I would like, if I may, in addition to answering any questions which may come up here now, to file a statement with this committee telling them exactly what we can do. Not only for oyster planters, but also to farmers since a lot of statements were made yesterday about what we could and could not do. If I may, I would like to do that, sir.

Mr. JONES. Yes, sir; Mr. Frost.

Mr. WILLIS. I would appreciate, as a matter of fact I perhaps initiated it, that you and the gentlemen who testified yesterday in New Orleans representing FBA, while here, meet with the Department officials in wildlife so that the information can go down to the farmers and the shrimpers and the oystermen as to what is available and how the applications can be processed.

I assure you I am very grateful without my talking to you; you are responding and I want to thank you very profoundly, and I hope you can facilitate the processing of loans which would give the desired relief.

Mr. FROST. You may not remember it, sir. I talked to you on the telephone before you and I both left Washington.

Mr. WILLIS. Oh, yes; I said not since yesterday.

Mr. FROST. That is right.

Mr. JONES. Well, Mr. Willis, I don't want you to misunderstand me.

Mr. WILLIS. I was afraid the audience was misunderstanding us. You and I will never disagree.

Mr. JONES. Well, it is our avenue of approach that is a little bit different.

The purpose of having the people from the agencies is just to resolve those questions as they arise. It is awfully hard for a municipality or a county commissioner to have at his fingertips all of public laws that he can utilize or have the avenues of approach to these problems without the Federal representatives being here and discussing it with them. There are infinite possibilities if our people will use them. We can pass the laws to include the things but until the people will employ our public acts, it is a great hazard for them.

Thank you very much, Mr. Frost.

(The statement of Mr. Frost follows:)

STATEMENT OF JACK FROST, DIRECTOR, EMERGENCY LOAN DIVISION, FARMERS HOME ADMINISTRATION, U.S. DEPARTMENT OF AGRICULTURE

Mr. Chairman and members of the committee, I am Jack Frost, Director of the Emergency Loan Division in the Farmers Home Administration. I appreciate the opportunity of making a statement about the emergency loan program which has been activated to assist eligible Louisiana farmers. Emergency loans are made by the Farmers Home Administration.

The Secretary of Agriculture is authorized by section 321(a) of the Consolidated Farmers Home Administration Act of 1961 to designate an area as an emergency loan area upon his finding of a general need for agricultural credit which cannot be met by other sources if the need for such credit is the result of a national disaster. Immediately after Hurricane Betsy the Secretary designated the following 50 Louisiana parishes as emergency loan areas:

Acadia	Iberville	St. Helena
Allen	Jefferson	St. James
Ascension	Jefferson Davis	St. John the Baptist
Assumption	Lafayette	St. Landry
Avoyelles	Lafourche	St. Martin
Calcasieu	La Salle	St. Mary
Caldwell	Livingston	St. Tammany
Cameron	Madison	Tangipahoa
Catahoula	Morehouse	Tensas
Concordia	Orleans	Terrebonne
East Baton Rouge	Ouachita	Vermilion
East Carroll	Plaquemines	Washington
East Feliciana	Pointe Coupee	West Baton Rouge
Evangeline	Rapides	West Carroll
Franklin	Richland	West Feliciana
Grant	St. Bernard	Winn
Iberia	St. Charles	

Pursuant to the Secretary's designation, the Farmers Home Administration is authorized to make emergency loans to eligible applicants in these parishes without regard to the size of their farming operations. The restriction that an applicant must operate not larger than a family farm in order to qualify for a Farmers Home Administration regular operating loan does not apply to emergency loans.

I visited 15 of the hardest hit parishes immediately after the hurricane and assisted in setting up temporary offices, training personnel, and informing farmers and the public about emergency loans. The following questions and answers present a brief explanation of the emergency loan program:

WHO IS ELIGIBLE?

To be eligible an applicant must be (1) a citizen of the United States, (2) an established farmer, operating as an owner-operator or tenant, (3) of good character and with the industry, ability, and experience required to carry out the proposed farming operation, and (4) unable to supply the needed funds from his own resources or with loans from the usual sources of credit available to farmers. In addition, applicants must manage their farming operations.

Partnerships or corporations must be engaged primarily in farming or ranching and the partners or principal stockholders, individually or collectively, must be unable to supply the needed funds from their own resources or with loans obtained by them from other sources.

The eligibility requirement with regard to ability to obtain credit from other sources is based on section 321(b) of the Consolidated Farmers Home Administration Act of 1961. This part of the statute provides that in order to be eligible an applicant must be unable to obtain the credit he needs from other sources at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms for loans for similar purposes and periods in the community in or near which he resides. The Farmers Home Administration operates within this statutory boundary and does not compete with other sources of agricultural credit. This does not mean, however, that an applicant must be destitute, almost bankrupt, or rejected by all other sources of credit in order to qualify for a loan.

It is the responsibility of the Farmers Home Administration to determine in each case whether an applicant is able to obtain credit from other sources. The agency works closely with other lenders in making this determination. If it is obvious from the applicant's financial statement that he cannot qualify for a loan with other lenders, the determination is made without contacts with other lenders. However, when an applicant's financial statement indicates that he might be able to obtain the credit he needs from other sources, the matter is discussed with his normal lender. If this lender informs the Farmers Home Administration in personal conversation, by telephone, or by letter, that he will not finance the applicant, there is usually a basis for a determination of inability to obtain credit. However, if an applicant has a large net worth with assets which should enable him to obtain the credit he needs, at least two lenders generally are contacted.

WHO DETERMINES ELIGIBILITY?

The local county committee of the Farmers Home Administration.

FOR WHAT PURPOSES ARE LOANS MADE?

Emergency loans supplement private and cooperative sources of credit and the regular lending programs of the Farmers Home Administration. Emergency loans instead of regular FHA operating loans are made to applicants who are unable to obtain needed credit from banks or production credit associations if their operating credit needs can be met with funds for the following purposes: (1) operating and living expenses, (2) not more than 1 year's interest on debts secured by liens of other creditors on livestock, farm equipment, and farm real estate, (3) not more than 1 year's taxes and insurance premiums, (4) unsecured bills incurred in connection with the production of crops or livestock, (5) reasonable amounts for payment to other creditors as depreciation on essential farm equipment under prior lien to them, (6) replacement of livestock lost, destroyed, or disposed of as the result of a natural disaster, (7) repair or replacement of farm and home equipment damaged or destroyed as the result of a natural disaster, and (8) purchase of feeder livestock for applicants who normally have feeding enterprises and produce most of the feed required for their feeder livestock.

Generally, emergency loans are made for the repair or replacement of buildings and for other real estate purposes only when the need for such credit cannot be met with other types of FHA loans, including rural housing loans. FHA rural housing loans made necessary by natural disasters bear the same rate of interest as emergency loans and are repayable over periods up to 33 years.

Emergency loans are not made to finance commercial feedlot operations or to refinance debts except for the payment of bills incurred in connection with farm-

ing or livestock operations. The legislative history of this lending authorization indicates a clear intent that these loans should never be made to replace other lenders by refinancing debts owed to them.

CAN A LOAN BE MADE TO A BORROWER EACH YEAR UNTIL HE RECOVERS
FROM THE NATURAL DISASTER?

When an emergency loan is made it is anticipated that additional loans will be made to the borrower each year thereafter as long as he has reasonable prospects of working out of his situation or until he is able to return to a normal source of credit. The loan each year may include funds for the payment of interest and depreciation to other creditors as described above under loan purposes as long as the borrower has reasonable repayment prospects.

WHAT ARE THE TERMS OF THESE LOANS?

Emergency loans bear 3-percent interest.

Amounts loaned for annual operating and living expenses are repayable from the year's income. However, if the year's income will not be adequate to do this because of a natural disaster, amounts loaned for these purposes may be repayable over longer periods consistent with repayment ability but not beyond the end of 3 years.

Amounts loaned for the purchase of replacement equipment or livestock are repayable over the shortest period consistent with repayment ability, but not to exceed 7 years or the useful life of the purchased items, whichever is the shorter period. Amounts loaned for real estate purposes are repayable over periods not to exceed 20 years. Amounts loaned for these purposes are repayable in annual installments, but the first installment may be scheduled for a period not beyond the end of 3 years if adequate income will not be available earlier.

WHAT ARE THE SECURITY REQUIREMENTS?

Amounts loaned for annual operating and living expenses are secured by a first lien on crops and the best lien obtainable on farm equipment and livestock. Amounts loaned for real estate purposes are secured by the best lien obtainable on farm real estate in which the applicant has an equity of not less than the amount being loaned for real estate purposes. Amounts loaned for other than real estate purposes, as described in this item, will be secured additionally by the best lien obtainable on farm real estate when necessary to provide adequate security.

WHERE ARE APPLICATIONS FOR LOANS RECEIVED?

At the county offices of the Farmers Home Administration.

WHAT IS THE PRIMARY OBJECTIVE OF THE PROGRAM?

The primary objective of the emergency loan program is to provide the credit required for eligible applicants to continue their normal farming operations following the occurrence of natural disasters. When a natural disaster strikes and emergency loans are made available, the Farmers Home Administration is anxious to assist all eligible applicants. In the present situation caused by Hurricane Betsy, the Farmers Home Administration has gone all out to provide adequate offices and facilities for receiving loan applications. There are 30 permanent offices in the designated parishes and 11 new temporary offices have been opened.

The emergency loan program is not new to this area. It has been activated in Louisiana at intervals as needed. Emergency loans have been made to several thousand Louisiana farmers in the past in the total amount of approximately \$25 million. During the fiscal year 1965, the agency approved 1,187 emergency loans in the amount of \$3,952,180. These loans were made primarily because of losses resulting from Hurricane Hilda.

In addition to making emergency loans available to eligible farmers, the Secretary also made these loans available to eligible oyster planters. The following questions and answers explain how loans are made to oyster planters:

WHAT ARE THE ELIGIBILITY REQUIREMENTS FOR EMERGENCY LOANS TO OYSTER PLANTERS?

To be eligible an applicant must be (1) a citizen of the United States, (2) an established oyster planter, (3) of good character and with the industry, ability, and experience required to carry out his proposed oyster planting operations, and (4) unable to supply the needed funds from his own resources or with loans from the usual sources of credit available to oyster planters. In addition, an applicant must manage his oyster planting operations. The Farmers Home Administration works closely with other lenders. If an applicant's normal lender informs the agency in personal conversation, by telephone, or by letter, that he will not finance the applicant, there is usually a basis for determining that the applicant is unable to obtain credit from other sources. However, when an applicant has a large net worth and assets which should enable him to obtain the credit he needs from local sources, an additional lender may be contacted.

WHO DETERMINES ELIGIBILITY OF OYSTER PLANTERS?

The county committee of the Farmers Home Administration composed of three farmers in the area.

FOR WHAT PURPOSES ARE LOANS MADE TO OYSTER PLANTERS?

These loans may include funds for the following purposes:

1. Purchase of seed oysters and oyster planting supplies; the repair of oyster planting machinery or equipment; purchase of replacement oyster planting machinery and equipment; and other essential operating expenses, including funds for oyster seedbed renovation.

2. Family subsistence needs for applicants who devote a major portion of their time to their oyster planting operations when funds are not available from other sources for this purpose.

3. Payment of not more than 1 year's interest that is due or about to become due on debts secured by liens of other creditors on equipment and real estate essential to the applicant's oyster planting operations.

4. Payment of not more than 1 year's cash rent or cash charges for the use of grounds leased for oyster planting operations, provided other arrangements cannot be made for paying the rent and the applicant holds a written lease.

5. Payment of (a) not more than 1 year's taxes on personal property and real estate essential to the applicant's oyster planting operations, including his home if he devotes a majority of his time to his oyster planting operations, (b) payment of not more than 1 year's premiums for insurance on such personal property and real estate, and (c) social security taxes in connection with hired labor.

WHAT ARE THE TERMS OF EMERGENCY LOANS TO OYSTER PLANTERS?

These loans bear 3 percent interest. Loans for purposes in connection with the rehabilitation of oyster planting operations, including annual operating expenses during the rehabilitation period, are repayable over periods up to 3 years. Loans for other purposes are repayable over longer periods.

WHAT ARE THE SECURITY REQUIREMENTS FOR LOANS TO OYSTER PLANTERS?

Emergency loans to oyster planters are secured by (a) a first lien on all oysters planted or to be planted by the applicant, (b) a first lien on all replacement machinery and equipment purchased with the loan, (c) the best lien obtainable on as much of the other machinery and equipment owned by the applicant as the loan approval official determines necessary to provide adequate security, (d) the best lien obtainable on real estate owned by the applicant when the loan approval official determines such lien is necessary to provide adequate security, and (e) an assignment of leases on oyster grounds held by the applicant.

WHERE MAY OYSTER PLANTERS APPLY FOR EMERGENCY LOANS?

At County Offices of the Farmers Home Administration.

If additional information is desired, we shall be glad to furnish it upon request.

Mr. JONES. Mr. Dave Pearce, Secretary of Agriculture for the State of Louisiana.

STATEMENT OF DAVE PEARCE, SECRETARY OF AGRICULTURE FOR LOUISIANA

Mr. PEARCE. Mr. Chairman, members of the committee and Members of Congress. I appreciate this opportunity very much having the opportunity to come before this committee.

We are very grateful to you for coming down here to our State and getting information firsthand.

Mr. JONES. Mr. Pearce, as I asked yesterday, I believe of some of your people, that we would like to go into this agricultural picture more thoroughly, even though there are some limitations of our jurisdiction. Nevertheless, we would like to have an accumulation of facts and information that if we cannot use, we can lodge in the agricultural committee or the appropriate committees to give you relief.

Mr. PEARCE. We are making up, Mr. Chairman, a complete report for you and hoping that you will use it this way. We appreciate this idea.

We are very grateful to all of the agencies here, Federal agencies and State agencies for the fine cooperation. As was said before, as a result of last year's catastrophe, we did know a lot more about what to do and I think as a result of this knowledge of having encountered this problem before, a similar problem but not nearly so severe, we did have some information as to how to handle the situations, and I think it saved a lot of lives, particularly.

We are certainly grateful to our Governor, and I wish you would convey to the President, personally for me, and I have written him, thanking him for coming down here personally.

(Discussion off the record.)

Mr. PEARCE. I am aware of the fact that in the Governor's report a lot of information was given that related to agriculture. The surveys that you Congressmen have asked us for, we got them as rapidly as we possibly could. However, there will be a detailed report to come to you later because we find that the conditions that we found when we made this survey are changing.

We found, for instance, in the instance of sugarcane a lot of cane that we did not think was seriously damaged at the time we made this survey, we find today is dying in the top. It was twisted. It is leaky, they call it. The sucrose is leaving it. It will not retain it. So there is a lot more damage now, we see, than there was when we made the report.

Here is the thing that we are vitally interested in. I say to you that the emergency operations are going fine. Everybody, every agency is doing a tremendous job. But, as was mentioned a moment ago, this is a condition that we certainly hope you will think about and try to come up with an answer.

We know that in our great democracy, that men, down through the years, have been able to rise to the occasion, and we have utmost confidence in you that you will do it.

We have a long-term problem. We have had two of these catastrophes in a row; in 10 months.

Last year, I recall very well, when we met. The agencies again came to our rescue. They came right down and worked with us. We went over this situation. We went to the different banks, lending

agencies and asked them to extend additional credit to our farm people, because they have been injured tremendously. They did that. They carried over the old debts and put them in with the new ones, and they accumulated again.

Now then we find ourselves again, more debts; the crop loss is tremendous. And we find it hard for our local people, who were carrying the load, lending agencies, to continue to increase it because the mortgages on the property have about reached their limits. That is all there is to it.

We are asking for a similar protection that business gets. We think that your Small Business Administration is doing a tremendous job for small businesses. We think you have saved them—businesses all over America. Had it not been for this agency doing this fine job, we think that many small agencies would not be in existence today.

That same condition that existed when you wrote this fine measure and put it into operation exists for many of our agriculture people today. We know that. It is almost impossible for them to get the type of consolidation that is necessary to keep them in business. Therefore, that is my main effort here today. It is to try to impress on your minds the true condition that exists as to credit.

As I said, the emergency operations are doing fine. We are getting the job done. We are feeding our people. We are getting their emergency needs to them.

But, we wish you would, by all means, put forth that special effort in trying to devise a system whereby we can get some consolidations where an emergency exists like this to where these people can pay back this money over a period of time; to consolidate their debts and where they can stay in business. That is our main objective right now.

Mr. JONES. I am going to suggest that you talk to Mr. Frost and see whether there are any gaps that he might suggest that we could work on.

Mr. MORRISON. Mr. Chairman.

Mr. JONES. Yes, Mr. Morrison.

Mr. MORRISON. I have a brief observation. I would like to compliment the gentleman on the very thorough job he is doing in his official capacity as head of our State department of agriculture, and being a member on the Agricultural Committee of Congress, it has been my privilege and pleasure to have had an opportunity to work with him over the years on so many of our problems that we face here in the State.

I certainly want to compliment you on the very excellent presentation that you have made here today, and the wonderful contribution that you have made to these farmers who have suffered from this terrible disaster of Hurricane Betsy.

Mr. PEARCE. Thank you, Congressman.

Mr. JONES. Thank you. Any questions?

Mr. DORN. Mr. Chairman.

Mr. JONES. Mr. Dorn.

Mr. DORN. I just wanted to take advantage of this opportunity to say that the people in Louisiana should be complimented for their excellent judgment in sending to the Congress of the United States such

a splendid delegation that not only represent Louisiana but this whole United States.

I am in my good colleague's district this morning, Jimmie Morrison, and I want to congratulate the people here likewise of the splendid job that he is doing on the Post Office and Civil Service Committee and the Agriculture Committee which helps the people of my State and all of the people of this country—this basic fundamental occupation of agriculture.

Mr. Morrison is certainly dedicated and devoted to food and the farmers in this country, and I want to say that publicly.

I want to ask you this, Mr. Secretary. What is the damage according to your estimate—I know that you may have to go to someone, but I think you have been in the position to kind of coordinate the estimation of your total damages—what has been the damage in the State of Louisiana in your sugarcane industry, \$25 million?

Mr. PEARCE. Around \$25 million.

Mr. DORN. What about rice? Was the rice crop in?

Mr. PEARCE. About 70 percent of the rice crop was in.

Mr. DORN. What about cotton?

Mr. PEARCE. Cotton was hurt next to cane; around \$20 million.

Mr. DORN. What about cattle?

Mr. PEARCE. Cattle was not hurt as badly. We lost about 40,000 head of cattle, but the overall picture was not as serious as the other projects.

Mr. DORN. In my State, and I keep coming back to this question because I think it is important—in South Carolina our greatest, single crop that brings in more money than tobacco, cotton or anything else, and virtually as much as all other crops combined is pine trees.

I would like to know about the timber in this State?

Mr. PEARCE. Well, both sawed timber and pulpwood and plywood—

Mr. DORN. I am interested in that, because we have had some hurricanes up our way, and the greatest damage to the farmer was to the lumbering industry, and the market was gutted and the trees were flattened, and some of them underwater in swampy areas throughout the wintertime. Now, if a hurricane hit maybe in the spring you would probably have the warm months in which to get the timber out of the woods, but through the winter months you have a lot of water, and it is difficult to get this valuable timber out to market, and then you are faced with depressed prices.

Is there anything, Mr. Secretary, that you can suggest along this line?

First, I would like to know if there is much timber down in the State of Louisiana; that is, timber and pulpwood?

Mr. PEARCE. There is tremendous damage. This, of course, is in the department of forestry, but I have conferred with Mr. Mixon, who is head of that department, and he has told me that the damages are terrific. He is making a complete survey, and in Congressman Morrison's own district alone it runs into \$8-\$10 million right now. But he is making a complete survey, and that, also, he told me would be submitted to this committee.

Mr. MORRISON. Will the gentlemen yield?

Mr. PEARCE. Yes.

Mr. MORRISON. We have asked the mayors to file their statements and the sheriffs to file their statements, and after that we have a gentleman, Mr. Guy Curtis, who will be the last witness and will testify here on timber.

Mr. DORN. I am a farmer myself, you see, and I have no other occupation.

(Discussion off the record.)

Mr. PEARCE. Mr. Chairman, may I say this in conclusion.

We are well aware of the fine Congressman we have, our delegation in Washington, and we are proud of them. There is no dissension among the political family here in Louisiana. I can tell you that. We fight together; we work together for a common cause to try to benefit our people. We think that we should do that.

Mr. JONES. I see no evidence that would disturb any thought that you may have on that line, because they are a dedicated group, and always evidence a general approach to every problem.

Mr. PEARCE. May I say this in conclusion, sir.

I am reminded of a Biblical term that I want to use here in conclusion.

Mr. JONES. It is an appropriate day to use it.

Mr. PEARCE. Yes, I was sitting here listening to this meeting here this morning, and I was impressed with this: The Master one time was confronted with a man who thought he was entitled to the benefits of heaven, and the Master told him he did not know Him; he did not know anything about Him and the fellow tried to convince Him, you know, that he was entitled to go in. The Master said, "I was sick, you did not visit Me: I was hungry, you did not feed Me; I was naked and you did not clothe me." He said, "I did not know when I did that." He said, "Inasmuch as you did it unto the least of these, you did it unto Me."

And we want to commend you people here in this committee. We feel that you are filling this role. The agencies, the Government, the people that have had a personal interest. You don't have to be here today. You are here because you are interested. We appreciate that very much. We think this is a commendation that we owe you and, therefore, we thank you very much for coming to our State and we will file with you a complete report as to all the damages we can figure. Of course, we cannot take into consideration all the property damages because we will have to wait until the claims are made and all the receipts are in to determine this.

I will ask you first to please concentrate on the idea of making it possible for a farmer when he is wiped out and his crops are wiped out to where somebody can help him consolidate his position so he can stay in business, pay his debts, and pay the money back. We believe in this.

Mr. JONES. Thank you very much, Mr. Pearce. You are a fine advocate.

Mr. PEARCE. Thank you.

Mr. JONES. Mr. Morrison, would you accommodate the committee by introducing the mayors?

Mr. MORRISON. There are many mayors here from the Sixth District whom the chairman asked to be present today at my request to file statements with the committee as to the amount of damage that was done in their respective communities.

As I call your names, would you please come up and identify yourself and file a statement here?

The Honorable John Leveson, mayor of Abita Springs.

(No response.)

Mr. MORRISON. The Honorable George Booksh.

STATEMENT OF BRUCE E. BOURGEOIS, MAYOR OF BRUSLY

Mr. BOURGEOIS. I represent Mr. Booksh.

Mr. MORRISON. Some of the mayors have their representatives here, and if you will, will you step up as your name is called and file your statements?

Mr. BOURGEOIS. You want me to file the statement?

The CHAIRMAN. Yes, please. Would you please identify yourself?

Mr. BOURGEOIS. I am Bruce Bourgeois, mayor of Brusly. Mr. George Booksh was unable to come today and he asked me to take along his statement.

The CHAIRMAN. You can inform the mayor that his statement has been received and made a part of the record.

(The statement of Mr. Bourgeois follows:)

VILLAGE OF BRUSLY, LA.,
September 25, 1965.

HON. GEORGE H. FALLON,

Member of Congress,

Chairman of Committee on Public Works.

(Attention of Hon. Robert Jones and Hon. Jimmie Morrison, Members of Congress).

HONORABLE SIRs: After a thorough visual survey of the damage caused by Hurricane Betsy and after consultations with a contractor and members of the Board of Aldermen of Brusly, La., I estimate that damage within the corporate limits of the village of Brusly will be between \$6,000 and \$8,000. It is my opinion that a twister struck our community as several very large trees were completely uprooted and tree and house damage was extensive throughout the village.

Let me state here that I have received many expressions of gratitude that President Johnson and our Government officials have promised and are supplying aid in the gigantic task that remains to be done in the wake of this disaster.

Respectfully,

BRUCE E. BOURGEOIS,
Mayor, Village of Brusly, La.

Mr. MORRISON. Hon. Louis Bartus, of Albany.

Mr. BARTUS. I am Louis Bartus, mayor of Albany.

(Report of Mr. Bartus follows:)

VILLAGE OF ALBANY, LA.

HON. ROBERT JONES,

Chairman, Special Subcommittee on Public Works:

As requested, the following are the damages experienced by the village of Albany, La.: Fallen trees, loss of electrical power, loss of telephone service, damage to private and public buildings.

Electrical and telephone service has since been restored through the efforts of Louisiana Power & Light Co., REA, and Southern Bell Telephone & Telegraph Co.

Minor damage to streets in the way of washout.

Damage to private and public buildings, generally, is being taken care of by insurance companies, with the exception of the buildings of the Albany High School which has been assessed for damages by the Livingston Parish School Board.

The costs of removing fallen trees have thus far been :

Labor.....	\$273. 65
Power saw (rental).....	42. 88
Cost of equipment.....	4. 34
Truck (rental).....	624. 00

Total.....	944. 87
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Costs estimated for completion of cleanup :

Labor.....	\$125. 50
Power saw (rental).....	12. 88
Tree surgeon.....	300. 00
Fill for streets.....	75. 00
Truck (rental).....	300. 00

Total.....	833. 38
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Total costs, \$1,778. 25.

NOTE.—Labor is paid at the rate of \$1.25 per hour and \$1.50 per hour. Truck rental is paid at the rate of \$6 per hour. Powersaw rental is paid at the rate of \$12.88 per day.

LOUIS BARTUS, *Mayor.*

Mr. MORRISON. The Honorable Nelson Johnson, of Angie, La.

(No response.)

Mr. MORRISON. The Honorable Pete Heine, of Baker, La.

(No response.)

Mr. MORRISON. The Honorable Woody Dumas has already testified. The Honorable Jesse H. Cutrer, of Bogalusa, La.

Mr. HOLLOWAY. I am Commissioner Holloway, city of Bogalusa. The mayor asked me to inform you that he had mailed a complete report of the devastation over there to Congressman Morrison.

Mr. JONES. Thank you. You can inform the mayor that his statement will be received and will be made a part of the record.

Mr. HOLLOWAY. Thank you, sir.

Mr. MORRISON. We are calling these by alphabet. Mr. Bruce Bourgeois, of Brusly, has just come forward.

Mr. Joseph S. Felps, of Clinton; Mayor Felps.

(No response.)

Mr. MORRISON. Mayor Earl Wascom, of Corbin, La.

(No response.)

Mr. MORRISON. Mayor Giles Pennington, at Covington.

Mr. PENNINGTON. I am Mayor Giles Pennington, of Covington. I would like to state at this time that our sheriff of our parish has combined a report and he will turn it in complete for the whole parish.

The CHAIRMAN. Thank you very much, Mr. Pennington.

Mr. MORRISON. Mayor Matt Scivicque, of Denham Springs.

Mr. COCKERHAM. I am Tommy Cockerham, representing Mayor Matt Scivicque, of Denham Springs, and we have filed our claim with the proper authorities.

Mr. JONES. You have filed it with the committee?

Mr. COCKERHAM. Yes, sir.

(Statement of damages of Mr. Scivicque follows:)

CITY OF DENHAM SPRINGS, LA.,

September 24, 1965.

HON. GEORGE H. FALLON,
Chairman, Committee on Public Works,
Washington, D.C.

DEAR MR. FALLON: This is to introduce Mr. Tommy A. Cockerham who will act as my representative at the hearing to be held in the State Highway Building, Baton Rouge, at 10 a.m., Sunday, September 26.

He is authorized to file a written assessment of the damages to the city of Denham Springs and report any information which may be pertinent to your inquiry.

Sincerely,

MATT A. SCIVICQUE, *Mayor.*

NOTE.—Our estimate of wind damage and cleaning up of debris and clearing of canals and ditches is \$45,000.

TOMMY COCKERHAM.

Mr. MORRISON. Mayor Lawrence Regira, of Donaldsonville.

(No response.)

Mr. MORRISON. Mayor Glenn Forbes, of Folsom.

(No response.)

Mr. MORRISON. Mayor Mouton Bickham, of Franklinton.

Mr. (Unidentified). I represent Mayor Mouton Bickham, of Franklinton, and we present this claim to you, I presume. He didn't instruct me to do this. He told me to be over here and see what was going on.

Mr. JONES. Well, let me ask you this. What are you going to tell the mayor when you get back?

Mr. (Unidentified). I am going to explain to him that we want to file the correct forms and present it to Mr. Morrison, I presume.

Mr. MORRISON. Well, just send it to me, Congressman James Morrison, Washington, D.C., and I will give it to the committee. Put an airmail stamp on it.

Mr. (Unidentified). Thank you, sir.

Mr. MORRISON. Mr. Charles Pasqua, of Gonzales.

(Report of damages of Mr. Pasqua follows:)

TOWN OF GONZALES, LA.,
September 25, 1965.

To Whom It May Concern:

The following is a list of estimated Hurricane Betsy damages within the city limits of the town of Gonzales.

Damages to town-owned property-----	\$6,000
Debris clearance-----	21,000
Damages to private property-----	910,000
Utility and telephone company-----	84,000
Total-----	1,021,000

Respectfully submitted.

CHARLES J. PASQUA,
Mayor, Town of Gonzales.

Mr. MORRISON. Mr. Winfred Lindsey, of Greensburg.

(No response.)

Mr. MORRISON. Mr. Dempsey Charleville, of Grosse Tete.

(No response.)

STATEMENT OF SAM E. SAIK, MAYOR OF HAMMOND

Mr. MORRISON. The mayor of my hometown, Sam E. Saik, of Hammond, La. We grew up together and he used to win all the marbles every time we shot marbles on the street corner.

Mr. SAIK. Thank you, Jimmie.

Mr. MORRISON. I hope you still have them.

Mr. SAIK. I lost them, sir. Thank you for being here today. I am happy to represent Hammond, the home of our distinguished Congressman James H. Morrison. I, in turn, will have the report mailed in to you, Congressman.

Mr. JONES. Thank you.

Mr. MORRISON. Mayor Charles Sinagra, of Independence.

(No response.)

Mr. MORRISON. Mayor James Norsworthy, of Jackson.

(No response.)

Mr. MORRISON. Mayor Bobby Gill, of Kentwood.

(No response.)

Mr. MORRISON. Mayor Ezra Albin, of Livingston.

(No response.)

Mr. MORRISON. Mayor Edwin Badeaux, of Madisonville.

STATEMENT OF EDWARD BADEAUX, OF MADISONVILLE

Mr. BADEAUX. I am Edward Badeaux, of Madisonville. We haven't completed our cleanup yet and there is no way of knowing at this time just what the cost will be, but I will get a report to Congressman Morrison. Thank you.

Mr. MORRISON. Thank you. Mayor Paul Cordes, of Mandeville.

Mayor Cordes also had a very severe damage to the sea wall at Mandeville, which was put in there many years ago and completely wiped out.

STATEMENT OF MAYOR PAUL CORDES, OF MANDEVILLE

Mayor CORDES. Paul Cordes, mayor, town of Mandeville. Thank you very much gentlemen for being with us today. A further report will be submitted to Congressman Morrison.

(Report of damages by Mr. Cordes follows:)

To: Congressman Robert E. Jones, Chairman, Subcommittee, Public Works, Washington, D.C.

Subject: Hurricane Betsy damage.

SIR: Damages in Mandeville, due to Hurricane Betsy, resulted from both high winds and flooding with heavy wave action.

Nearly all of the 35 miles of streets were blocked by fallen trees and all were heavily strewn with limbs and other wind blown debris. (Enclosure 1.) At the current time, 1,044 man-hours have been expended in the cleanup of an estimated 20 to 25 percent of the town. About 30 homes are known to have suffered varying degrees of damage from falling trees. Southern Bell Telephone & Telegraph Co. reports damages to their service to be \$25,000 and Central Louisiana Electric Co. reports \$36,000 in damages to their system within the town of Mandeville.

Hurricane shelters were established in two public schools and the Catholic School building to which people were evacuated. (Enclosure 2.) Infirm persons were taken to the Southeast Louisiana State Hospital, which is located at Mandeville.

Damages to the sewerage and water systems was not extensive. Water service was interrupted only in limited cases. (Enclosure 3.)

The town wharf was nearly completely destroyed. It was rebuilt, after destruction in Hurricane Hilda (1964), largely from salvaged materials which are not considered reusable again. Pilings are further deteriorated and new ones will be added in reconstruction. Harbor navigation equipment was swept away. The cost estimated is \$5,715 to replace this facility. (Enclosure 4.)

The area of greatest concern is the seawall required to protect the town from wave damage to streets and structures and to prevent the erosion away of the land mass.

The seawall was one of minimum construction believed to have been originally built about 1916 and repaired where failures had occurred in 1927. The structure consists of cement slabs about 8 inches thick and 24 inches wide placed upright with earthfill behind. Even normal rough water action by average storm conditions attacks the security of the wall since it is not high enough to prevent water from spilling over and washing out the fill.

Serious deterioration has accumulated and further damage occurred in several places in Hurricane Hilda. This was reported along with our report and application for Federal financial assistance at that time. No allowance was made to strengthen or replace the seawall. Further deterioration took place along the wall in Hurricane Betsy and two serious new breeches were made. (Enclosure 5.) The wind-driven water immediately attacked the shortline and seriously eroded away the soil, eating back a distance of about 24 feet and to within 20 feet of the street. The town put in 29 truckloads of riprap without gaining control even though wind strength had dropped to 15 to 20 miles per hour following the storm. The current seawall is deficient in height. With the exception of a portion of the 2500 block of Lakeshore Drive, (the street adjacent to and paralleling the lake front), wave action above the seawall crosses the street, pounding buildings, causing damage to structures, and tearing away cement stairs. It is suggested that only 2 or 3 feet additional height would break the wave action.

The town is in need and requests all necessary assistance to effect the construction of an adequate seawall to prevent wave force action from continuing into the improved area and washing away the land mass. Estimated cost \$4 million.

PAUL D. CORDES,
Mayor, Town of Mandeville, La.

Enclosures.

[Enclosure 1]

STORM DAMAGE—HURRICANE BETSY

Every street in the central portion of the town was rendered impassable by fallen trees and heavy branches. Only one street, an extra wide street, was passable by careful maneuvering.

The amount of tree damage during Hurricane Betsy was about three times as bad as last year. Although work on clearing the main streets to traffic was begun the morning after the hurricane, up to the present only about 20 to 25 percent of the debris has been cleared.

Approximately 30 homes were damaged by fallen trees.

Up to this time it has required 1,044 man-hours and 72 truck-hours for clearance work.

[Enclosure 2]

HURRICANE BETSY, PROTECTIVE

Estimate of evacuees during the time of 4 p.m. September 9 through 3 a.m. Friday, September 10, 1965, are as follows: 10 patients via ambulance to Southeast Louisiana Hospital (Dutz' ambulance); 18 patients by police unit car 20, and deputies private cars; 16 patients by private cars—total, 44 patients evacuated.

Shelter centers located in town were: Mandeville High School, approximately 275 evacuees; Rosenwald Grammar School, approximately 65 evacuees—total, 340 evacuees.

Police answered numerous other calls during this period of time.

Moved headquarters from townhall to fire station on Gerard Street for safety purposes.

Estimated hours worked by police: Total, 112 hours; \$153.

[Enclosure 3]

HURRICANE BETSY, HEALTH AND SANITATION DAMAGE

Sewerage life station No. 6, Golden Shores, electric motor and switch burned out.

Lift station No. 3 and No. 5, skylight blown off; roof on station No. 1, or main lift station, slight roof damage.

Doors and windows on chlorinator room and recirculating sump pump room damaged.

The primary and secondary and filter tank blocked with debris.

Main waterline crossing Big Bayou Castain broken from fast movement of water or tidewater with floating timbers. Several house service lines damaged from pulled up roots by trees which were blown over.

[Enclosure 4]

HURRICANE BETSY, TOWN HARBOR AND WHARF DAMAGE ESTIMATE REPAIR

2 harbor lights-----	\$800
34 piling installed-----	1, 190
Material to replace dock, stringer and plates, bolts, spikes, and steel plates-----	1, 000
Labor to rebuild dock-----	800
3 sea buoys with chains and anchor-----	350
Fill and shell-----	1, 400
Repair roof of building-----	150
Repipe flow well-----	25
Total-----	5, 715

(Enclosure 5, map, will be found in committee files.)

Mr. JONES. Mayor, this seawall damage, to what extent was the damage?

Mr. CORDES. We estimate a cost of \$4 million.

Mr. JONES. Four million?

Mr. CORDES. Yes, sir.

Mr. JONES. It was almost a total damage, wasn't it?

Mr. CORDES. That is correct. This is the seawall that has been in existence since 1915 and was repaired in 1927 and has had constant deterioration since that time. During Hurricane Hilda we experienced damage to this facility, at which time no repairs were made. This is an obsolete facility, which has been in need of repair for some time. Unfortunately, during this particular hurricane, severe damage was experienced, several bad breeches were incurred. It was necessary for our community to immediately place approximately 29 loads of riprap Saturday and Sunday following Hurricane Betsy to stem the erosion that was rapidly taking place, this was done. Thanks to the Corps of Engineers, shortly after then, additional loads of riprap were brought in. This has controlled the erosion to a certain extent, however, should we encounter another severe storm, not of hurricane strength, but another storm, further deterioration will take place. We feel that immediate action is needed in our area and we are going to ask you gentlemen for your assistance.

Mr. JONES. Just before you leave. Jim, General, is there a survey resolution needed for this project, or do you know?

Mr. MORRISON. Lake Ponchartrain and vicinity project was in the omnibus bill and includes a feature in it for protection of Mandeville and vicinity.

Mr. JONES. Well, thank you, Mayor Cordes. We certainly appreciate—

Mr. CORDES. Congressman Morrison, I might mention that we note that this is in the program, but we feel that more extensive help will be required.

Mr. MORRISON. Mayor D. B. Barrow of Maringonin; Mayor W. E. Dykes of Montepelier; Mayor Camile J. Tuminello of Morganza.

STATEMENT OF MAYOR PRO TEMPORE CALLAHAN, OF MARINGOUIN

Mr. CALLAHAN. Our estimated damage was caused mostly by wind. I'm not Mayor Barrow. I am Mayor Pro Tempore Callahan. Mayor Barrow could not be here today.

Mr. MORRISON. Well, we are certainly glad to have you and thank you for filing your statement.

Mr. CALLAHAN. Most of our damage was by wind, limbs, and things like that. We didn't have hardly any rain damage because it rained out before it got to our neighborhood.

Mr. JONES. Thank you, sir.

(Report of damages by Mr. Martin follows:)

TOWN OF MARINGOUIN, LA.,
September 26, 1965.

To Whom It May Concern:

This is to certify that the mayor and town council of the town of Maringouin have surveyed the damage caused by Hurricane Betsy and estimated that the cost of clearing the town of debris to be approximately \$4,500.

LEO J. MARTIN, *Clerk.*

Mr. DYKES. I'm W. E. Dykes from Montpelier. Congressman, I think the other day I got it over to you our greatest danger was to the dairy industry and the unforeseen loss of the production, being out of electricity for several days. I would like for this to be entered at this time, that there is a threat to the dairy industry there because the lack of production was off somewhat, say 60 or 70 percent, for several days because there were not even any milk pickups for several days.

I would say, also, that it was visible in the towns that the milk did not get into the towns of New Orleans and Baton Rouge areas. I would like for that to be recognized at this time, that there is a tremendous loss in the dairy because quite a few people lost as many as 20 or 30 cows with acute mastitis cases and there are a lot of them having to sell a good many head.

I thought perhaps Dave Pearce would bring that out. I see the sugarcane growers got to him a little quicker than I did.

Mr. MORRISON. Well, you a good job of bringing it out, and I remember discussing it with you like I tried to call every mayor in my district immediately after this hurricane hit and you explained it to me then. I certainly appreciate it and I am sure that the other members of the committee appreciate you bringing it out before us here today.

Mr. DYKES. I am kind of like some of the other Congressmen. The reason I know is because I am a dairyman myself, and I got hit first-handed.

Mr. DORN. What was the name of that disease they would get?

Mr. DYKES. Mastitis. Due to lack of milking—if you'll notice, too, it was more or less prevalent in your bigger producers, those that are higher producers, well, naturally they need more care. Thank you.

Mr. MORRISON. Thank you.

Mayor William Scott of New Roads. Mayor L. R. Lindsay of Norwood.

STATEMENT OF MAYOR WILLIAM SCOTT, OF NEW ROADS

Mr. SCOTT. Mayor Scott, town of New Roads. This estimate we are submitting is only for publicly owned property.

Mr. MORRISON. Thank you, Mayor Scott.

(Report of damage by Mr. Scott:)

TOWN OF NEW ROADS, LA.,
September 26, 1965.

To Whom It May Concern:

The following is an estimate of damages caused by Hurricane Betsy to the town of New Roads, La.:

Damages to our electric generation and distribution system-----	\$8,000
Damages to town-owned buildings-----	4,000
Estimated cost of clearing fallen trees and other debris-----	7,000
Total estimated damages-----	19,000

WILLIAM H. SCOTT, *Mayor*.

Mr. MORRISON. Mayor James McQueen of Pearl River.

Mr. McQUEEN. I am Mayor J. D. McQueen of Pearl River of St. Tammany Parish.

Mr. JONES. Mr. McQueen, what was the extent of damages in your area?

Mr. McQUEEN. Mostly from trees and debris. Limbs and trees falling across the streets and filling the ditches and drainage, natural drainage. We didn't have any street damages; whatever water got over them didn't hurt them. It was mostly from trees.

Mr. JONES. Thank you.

(Report of damage by Mr. McQueen:)

TOWN OF PEARL RIVER, LA.,
September 25, 1965.

HON. GEORGE H. FALLON,
Chairman, Committee on Public Works,
Washington, D.C.

DEAR SIR: Referring to your telegram of September 21, in regard to damage done to the town of Pearl River, St. Tammany Parish, La., by Hurricane Betsy.

The damage in our town is mostly from a great number of large and small trees in streets and yards, also from piles of straw, leaves, and limbs on streets and in our drainage ditches and in the natural drains or small streams. My estimate is that we had between \$2,700 and \$3,000 damage, and as of today the 25th, approximately 60 to 65 percent completed with all damage done by Betsy.

We had no damage done to our streets other than being flooded for a few hours in places.

Hoping that this will give you the information you want,

I am yours very truly,

J. D. McQUEEN, *Mayor*.

Mr. MORRISON. Mayor Charles Shuebelen of Plaquemine. Mayor Andrew Edwards of Ponchatoula has already been up here and filed his statement.

(Report of damage by Mr. Edwards:)

TOWN OF PONCHATOULA, LA.

Estimated damages to town property by Hurricane Betsy

1. Cleaning storm debris (2 weeks)-----	\$3, 700. 00
2. Repair to townhall roof (estimated)-----	760. 00
3. Repair to firehouse roof (estimated)-----	260. 00
4. Townhall tool shed; rebuilding (estimated)-----	1, 880. 00
5. Town dump cleanup-----	150. 00
6. Boy Scout hut roof-----	75. 00
7. Gasoline used in cleanup-----	200. 00
8. 12-inch cast iron pipe; caused by tree-----	500. 00
9. Civil defense transmitter-----	502. 80
10. Oxidation pond fence (3 panels)-----	60. 00
11. Goat shed-----	54. 50
12. Kiwanis Park log cabin roof damage-----	500. 00
13. Cemetery shed-----	50. 00
Total-----	8, 700. 00

Mr. MORRISON. Mayor William LeBlanc of Port Allen.

Mr. LEBLANC. Mr. Chairman, members of the committee, I am William C. LeBlanc, mayor of the city of Port Allen. I am filing an estimate of the approximate damage that we suffered. I would like to say this, that everything Mayor Woody Dumas said applies to Port Allen because we are directly across the river within about a half mile from the city limits of Baton Rouge.

(Report of damage by Mr. LeBlanc:)

CITY OF PORT ALLEN, LA.,
September 24, 1965.*Estimate of damage due to Hurricane Betsy*

Damage on spray equipment-----	\$300
Water tower damages-----	1, 500
City hall and buildings (city property)-----	1, 000
Rented trucks, saws, and equipment (debris and drainage)-----	6, 500
Contractors cutting trees (debris and drainage)-----	5, 500
Supervision overtime (debris and drainage)-----	700
Overtime for regular men and extra men (debris and drainage)-----	5, 000
Rented air compressor-----	275
Grader—\$1 per hour, 120 hours-----	120
Town equipment being used (debris and drainage)-----	7, 600
One vault (burial tomb)-----	135
Shells for damaged shoulders, streets-----	175
Dozer, pushing trash dump-----	200
Total estimate-----	29, 005

WILLIAM C. LEBLANC, Mayor.

Mr. MORRISON. Mr. C. V. Richard, of Port Vincent. Mayor Albin Andre of Rosedale.

Mr. BADEAUX. Mr. Chairman, members of the committee, I'm Lloyd Badeaux, village clerk of the village of Rosedale. Our mayor was not able to be here today, but he asked that I thank you gentlemen for the fine work that you are doing. He asked that I express his thanks to Congressman Morrison in contacting him and trying to do all that he could to help.

We are a very small town. Although we consider ourselves very fortunate, we had no death or serious injuries, but we did have quite a lot of trees topple over in the streets and all. We estimate that the general cleanup will be about \$1,200.

We had a storage shed that we had just completed a few days before the storm and we had not had the opportunity to even get insurance on it. This building cost us \$1,928 and was completely destroyed. So this brings our estimate of damages to about \$3,128. This sounds like a very small amount but in a village that operates on a budget of only \$15,000, this is really a catastrophe to us. We hope that we can get help on restoring these needs.

Thank you.

(Report of damage by Mr. Andre:)

VILLAGE OF ROSEDALE, LA.,
September 25, 1965.

Congressman ROBERT JONES,
Chairman, Special Subcommittee of the Committee on Public Works.

GENTLEMEN: The assessment of the damages in the village of Rosedale are as follows:

General cleanup-----	\$1, 200
Storage shed completely destroyed-----	1, 928
Total-----	3, 128

Thanking you, I remain,
Yours very truly,

ALBIN ANDRE, *Mayor.*

Mr. MORRISON. Thank you very kindly.

Mayor J. W. Bankston, of Roseland. Mayor Robert E. Watson of St. Francisville. Mayor Dan C. Rice of Slaughter. Mayor F. N. Cusimano, of Slidell. Mayor George Savario, of Sorrento.

Mr. BOYD. My name is Jim Boyd. I am presenting this in behalf of Mayor Frank Cusimano, of Slidell, who is unable to be here.

Mr. MORRISON. Thank you very kindly.

(Report of damage by Mr. Cusimano:)

CITY OF SLIDELL, LA.,
September 24, 1965.

Hon. ROBERT JONES,
Chairman, Subcommittee on Public Works.

I, Frank N. Cusimano, mayor of Slidell, herewith submit the following approximate assessment of damages caused by Hurricane Betsy in this community:

Southern Bell Telephone & Telegraph Co-----	\$20, 000
Central Louisiana Electric Co-----	70, 000
City of Slidell-----	150, 000
Total-----	240, 000

Respectfully submitted.

FRANK N. CUSIMANO,
Mayor, City of Slidell.

Mr. KLING. I am A. J. Kling, Jr., mayor pro tem, representing Mayor Savario from Sorrento.

Mr. MORRISON. Thank you very kindly.

(Report of damage by Mr. Savario:)

TOWN OF SORRENTO, LA.

To Whom It May Concern:

Written assessment of damages submitted by the town of Sorrento of damages caused by Hurricane Betsy.

1. Debris clearance-----	\$7, 500
2. Drainage-----	1, 000
3. Public buildings-----	600
4. Public utilities-----	2, 400
Total damages-----	11, 500

Submitted this 26th day of September 1965.

GEORGE A. SAVARIO,
Mayor, Town of Sorrento.

Mr. ABELS. I am Mayor Harold Abels of Springfield.

Mr. MORRISON. Thank you, Mayor Abels.

(Report of damage by Mr. Abels:)

TOWN OF SPRINGFIELD, LA.,
September 25, 1965.

An assessment of the damages caused by Hurricane Betsy to the town of Springfield, La., is estimated at \$15,000.

H. P. ABELS, Mayor.

Mr. MORRISON. Mayor Lulu C. Mizell, of Sun, La.; Mayor Milton A. Bridges, of Tangipahoa, La.; Mayor Tony Malnar, of Tickfaw, La.; Mayor Albert J. Boone, of Varnado; Mayor H. H. Forbes, Jr., of Walker; Mayor Robert L. Tassin, of White Castle; Mayor A. M. Verbois, of Wilson; and Mayor S. M. Noble, of Zachary.

Now, Mr. Chairman, members of the committee, I want to say that we have had the top officials of the State and Federal Government here to testify today, and they have certainly done an outstanding job, and I think that all of our elected officials, whether they be State, parish, or local officials likewise have done an outstanding job, including sheriffs, clerks of courts and other officials in each respective courthouse. I am going to ask at this time, and we are going to take the parishes by alphabet, and ask each of the parish sheriffs to come up and file their report and limit a report of the damages to their parishes in a summary to 3 minutes.

Ascension Parish, Hon. Hickley M. Waguespack, of Donaldsonville, La.

STATEMENT OF HICKLEY M. WAGUESPACK, SHERIFF OF ASCENSION PARISH

Mr. WAGUESPACK. Mr. Chairman, Congressman Morrison, members of the committee, I am Sheriff Hickley M. Waguespack, of Ascension Parish. A preliminary estimate of damage that we could compile in such a short time would indicate that we had damage, private and public, in the amount of \$6,798,000. This is in a parish that has a population of approximately 30,000 people and is about 20 miles square.

We broke this down into private damage and public damage that we could ascertain directly, and assumed that something that was unreportable or there is no way of getting any data, we added one-third to what we thought we could support. This is the report that I will make, and Congressman, it will include Donaldsonville. Mr. Regira, the mayor, wasn't here, but this report will include it.

Mr. MORRISON. Thank you very much, sheriff. We certainly appreciate your coming.

Mr. HOWARD. Mr. Chairman, I would like to ask one question of Sheriff Waguespack. I would like to ask it of each of the sheriffs concerning damages to the schools, not necessarily the physical damage; we know that you suffered in damage to maybe equipment and textbooks. I know that students missed several days of school immediately following it, but I would like to know whether or not there exists now a problem in the schools, in that some schools are closed, you may have had to go on double sessions or possibly you don't have the facilities to hold classes, or hold shorter hours; or are you back at least on a schedule with the limited facilities that you have available. Are all the children attending school now on the same kind of sessions that they had before the hurricane?

Mr. WAGUESPACK. Yes, sir. In my parish they are and fortunately we estimate the school damage to private and public schools to no more than possibly \$100,000.

Mr. JONES. Thank you, Sheriff Waguespack.

(Report of damage by Mr. Waguespack:)

Estimated Betsy damage, Ascension Parish

Insurance agencies	Number of claims	Total paid out
Lambert Insurance Agency.....	246	\$115,000
Thomassie Insurance Agency.....	230	115,000
State Farm Mutual.....	215	182,000
Fife Insurance Agency.....	500	350,000
Daigle-Waguespack Insurance.....	200	95,000
Health Insurance Agency.....	400	250,000
Bourque Insurance Agency.....	110	100,000
Roland Robert Agency.....	125	125,000
Allstate Insurance Co.....	50	20,000
Total.....	2,076	1,356,000

East Ascension Telephone Co., \$200,000 to \$250,000 uninsured damage.

Wyndotte Chemicals, \$35,000 insured physical; production loss, \$275,000.

Borden Chemical, \$4,500 insured physical damage; \$150,000 production loss.

Rubicon, \$12,000 insured physical damage.

U.S. Rubber, \$20,000 insured physical damage; \$150,000 production loss.

Ormet Corp., \$20,000 insured physical damage; \$40,000 production loss.

Monochem, \$30,000 insured physical damage; \$55,000 production loss.

Shell, \$8,000 insured physical damage; \$34,000 production loss.

Goliad, \$5,000 insured physical damage; \$15,000 loss in production.

Ramsey Scarlett, \$35,000 physical damage; \$200,000 loss of business to other ports.

Town of Gonzales, \$8,000 physical damage to property; \$18,000 to clean debris.

Town of Sorrento, \$3,000 damage to town property; \$7,500 to clean debris.

Parish of Ascension, debris cleaning, \$25,000.

Dixie Electric Membership Corp., \$125,000.

Gulf States Utilities, \$120,000.

SUMMARY

Residential and commercial insurance claims, 2,076-----	\$1, 353, 000
Utility companies damage not insured-----	495, 000
Industrial property damage-----	169, 500
Industrial production loss not insured-----	919, 000
Town of Gonzales property loss-----	8, 000
Cost to clear debris-----	18, 000
Town of Sorrento property loss-----	3, 000
Cost to clear debris-----	7, 500
Parish of Ascension:	
Cost of clearing debris-----	25, 000
Total -----	2, 998, 000
Personal and business property losses not confirmed by statistical data but obtained through personal inquiry from a variety of sources-----	2, 000, 000
Estimated physical damage to school property-----	50, 000
City of Donaldsonville, and West Ascension, estimates of debris clearance and services to citizens for refrigeration relief by importation of ice-----	50, 000
Other public building damages estimated at-----	10, 000
Total -----	2, 110, 000
Recorded data plus intensive survey covering two-thirds of parish--	5, 098, 000
Projected estimate for remaining one-third (unreported or unavailable estimates including agricultural loss)-----	1, 700, 000
Total estimated damage -----	6, 798, 000

HICKLEY M. WAGUESPACK,

Sheriff and Tax Collector, Ascension Parish, Donaldsonville, La.

Mr. MORRISON. East Baton Rouge Parish, Bryan Clemmons, sheriff. I understand he is well represented by Deputy Sheriff Kling.

Mayor DUMAS. Congressman, Sheriff Kling just left. He thought you were just talking about the mayors. He will send the report to you.

Mr. MORRISON. Thank you.

From East Feliciana Parish, Sheriff Arch V. Doughty, Clinton, La. (No response.)

Mr. MORRISON. From Iberville Parish, Sheriff Jessel Ourso, Sr.; from Plaquemine, La., Sheriff Ourso.

(No response.)

Mr. MORRISON. From Livingston Parish, Sheriff Taft Faust.

(No response.)

Mr. MORRISON. From Pointe Coupee Parish, Sheriff Francis Audley Smith, of New Roads.

STATEMENT OF FRANCIS AUDLEY SMITH, SHERIFF OF NEW ROADS

Mr. SMITH. Mr. Chairman, members of the committee, I come from a parish which is about 100 miles north of the coastline and because of that fact we received very small damage as far as water or tidal waves.

We do receive damage as far as winds are concerned and mostly those damages are limited to crops. We believe that we had in our parish in the vicinity of two and a half million dollars worth of damage with two and a quarter million being damage to crops.

This is the third hurricane which we have had in 8 years. In 1957 we had Hurricane Audrey which hit in Cameron Parish with a great loss of life and then came on toward our country and demolished our crops. Then last year in October we had this Hurricane Hilda. It hit in the vicinity of St. Mary Parish and damaged our crops considerably. This year the hurricane hit in the vicinity of Orleans Parish and came straight up the old course and got us again.

We'd like to get our citizens together and petition the committee of public works department of the State and the Federal Government and see if we couldn't find a new channel for these hurricanes.

I would like to say that the thing that would help us most is just what Commissioner Pearce has recommended. That is help for the farmers, because when we get help to the farmers, we get help for the rest of the people in the parish.

Thank you very much.

Mr. HOWARD. Are your schools operating?

Mr. SMITH. All schools are operating. They suffered 1 day loss of school.

Mr. MORRISON. Thank you, Sheriff Smith.

(Report of damage by Mr. Smith:)

SHERIFF'S OFFICE,
PARISH OF POINTE COUPEE,
New Roads, La., September 24, 1965.

Re hurricane, 1965.

Congressman ROBERT E. JONES,
Chairman, Special Subcommittee of Committee on Public Works,
Washington, D.C.

When Hurricane Betsy passed over Pointe Coupee Parish in September of 1965 it became the second one to devastate the parish in 11 months and the third one in 8 years to cause extensive damage to farm crops and other property in the parish of Pointe Coupee. While in each case there was great damage to the crops and to the trees and lesser damage to the homes and buildings the people of the parish suffered no flooding and no loss of life for which they are very thankful.

The hurricane known as Betsy hit the parish on the night of September 9 and the morning of September 10 with the eye passing over the parish between 2 and 4 o'clock on the 10th. Winds were of a high velocity, but not of as great a duration as in the storm of 1964. As in the case of Hilda, the 1964 hurricane, the principal damage was to the farm crops. Much damage was done to the trees, especially the pecan trees, but because of the previous damage by Hilda there were fewer trees to damage. One old building was blown down in the town of New Roads and some were damaged by falling trees, but no one was injured.

Damages estimated to farm crops due to Betsy amount to \$2,250,000 as shown by attached estimate from county agent's office.

Total damages to be paid by the insurance companies through the local agents is estimated to eventually reach \$92,335.

The cost of placing the two telephone systems in the parish back in service is estimated to be \$35,500.

The total estimated damage incurred by the municipal utility system and the two electrical utilities operating in the parish amounted to \$56,500. In the town of New Roads alone clearing out the branches and debris will cost \$8,000.

Including crop damage, it is estimated that Hurricane Betsy caused or will have caused damages estimated to total close to \$2,500,000 in Pointe Coupee Parish.

The greatest need in this parish is now, and will continue to be, financial help to the farmers, who have in a period of 11 months, seen two excellent crops extensively damaged. Instead of paying out each year and having some money to pay on debts, their current expenses remain unpaid and prospects for financ-

ing next year's crop appear dim. A long-term Government loan at a low-interest rate is recommended.

Respectfully,

F. A. SMITH,
Sheriff, Parish of Pointe Coupee, New Roads, La.

COPY OF REPORT FROM COUNTY AGENT'S OFFICE

To: Members of the police jury.

Subject: Crop situation before and after Hurricane Betsy for Pointe Coupee Parish.

I. Cotton:

1. Approximately 7,000 acres to be harvested.
2. Estimated yield of 9,000 bales.
3. Damage from hurricane:
 - a. From 10 to 70 percent varying with the degree of maturity—fully matured cotton not picked hardest hit.
 - b. Average loss for parish, $33\frac{1}{3}$ percent or 3,000 bales.
 - c. Lost about a half million dollars plus extra costs of harvesting and depreciation in quality of remaining crop, \$600,000.

II. Sugarcane:

1. 12,000 acres.
2. Estimated yield of 30 tons per acre.
3. Damage:
 - a. Top breakage very heavy in some varieties (44-101; 47-193; 44-155).
 - b. New roots forming.
 - c. Might lose 5 to 10 tons per acre on sucrose and purity.
 - d. Estimated loss close to \$1 million, \$1 million.

III. Corn:

1. 15,000 acres planted.
2. Estimated yield of 60 bushels per acre—900,000 bushels.
3. One-half harvested.
4. One-half of what's left can be harvested with machines.
5. Rot and sprouting could cause 250,000 bushels loss if not picked by hand, \$250,000.

IV. Soybeans:

1. 6,000 acres planted.
2. Estimated yield of 40 bushels per acre.
3. Damage from 10 to $33\frac{1}{3}$ percent.
4. Could lose 48,000 bushels valued at \$100,000.

V. Pecans:

1. Average off year crop estimated at 2 million pounds valued at \$300,000 almost a total loss.
2. Very heavy damage to pecan timber which will reflect a heavy loss in yield for from 5 to 10 years, \$300,000.

VI. Pasture:

1. Looks good now.
2. Amount of salt will determine the extent of damage. Will be able to tell better by September 25, 1965.

VII. Farm buildings:

1. Much heavier than Hurricane Hilda.

Total, \$2,250,000.

Mr. MORRISON. Sheriff R. D. "Red" Bridges of Greensburg, La.
(No response.)

Sheriff George A. Broom of Covington, La., representing St. Tammany Parish.
Sheriff Broom.

STATEMENT OF GEORGE A. BROOM, SHERIFF OF COVINGTON

Mr. BROOM. Mr. Chairman, Members of Congress, I would like to be given permission to file with you an extensive report at a later date and I assure you it won't be too far off. I would like to pass com-

ments on certain things that I think is pertinent to this committee and to the coastal area of St. Tammany Parish which is located on the north shore of Lake Pontchartrain.

I am very much aware of the hurricane protection plan inasmuch as I was a member of the police jury at the time of the study and the study was conducted at Vicksburg, Miss., which I had the good pleasure of visiting and observing and having counsel with the U.S. Engineers there.

There are two phases that I would like to ask your consideration and pass it on to the U.S. Engineers for their further study: No. 1, the northern terminus of the protection levee terminates just approximately a mile or two miles, if that far, north of Rigolets in St. Tammany Parish.

It was my observation the morning after the hurricane had passed to see the tidal wave come in to the eastern coast of St. Tammany Parish from the Mississippi Sound and flow free, flow upstream up the Pearl River from a depth of 1 foot to approximately 5 feet across U.S. 190. Now U.S. 190 was designated as a continuation of the protection levee in the hurricane protection plan. This has to be given consideration because of this fact and the untold quantities of water that did come upstream. This was really a phenomenon to see this water running upstream at this terrific rate of travel. This water did considerable damage to the few places of business located on this highway in St. Tammany Parish. Just across the Rigolets it did total demolition to those residences there.

The other thing that I would like to point out to you, the needs all over, and that is consideration be given to other areas of St. Tammany on the north shore of the lake and Mandeville. Mandeville certainly deserves it and certainly needs additional protection there. But with the tremendous amount of development in St. Tammany Parish that portion that is known as north shore which is located between Highway 190, between New Orleans and the gulf coast and just south of Highway 11, which comes from New Orleans into Mississippi. Given those considerations to your overall protection plan, gentlemen, I think would certainly enhance it.

Mr. JONES. Just a minute, please. Colonel, did you hear the request of the sheriff?

Colonel BOWEN. Yes, sir, I have some notes on it.

Mr. JONES. Will you discuss that with him?

Colonel BOWEN. I certainly shall.

Mr. JONES. At the conclusion of the hearing because we have omitted it in the Pontchartrain and didn't give consideration to it in the subsequent report.

Mr. BROOM. To answer your questions about the schools, I think we lost 1 day of school and they are all back in operation with minor damages to our overall school program.

Mr. HOWARD. Thank you.

Mr. BROOM. A little bit on the timber side, I think our parish suffered in the neighborhood of between \$500,000 and \$700,000 worth of timber damage.

Mr. MORRISON. What about rural homes?

Mr. BROOM. Rural homes were extensively damaged from wind.

Mr. MORRISON. Thank you very much, Sheriff Broom.
(Report of damage by Mr. Broom:)

COVINGTON, LA., September 27, 1965.

HON. GEORGE H. FALLON,
*Chairman, Committee of Public Works,
House Office Building,
Washington, D.C.*

DEAR CONGRESSMAN FALLON: In my appearance before your committee in Baton Rouge yesterday afternoon, I asked and you very graciously permitted me to file by mail the damage estimates caused by Hurricane Betsy in St. Tammany Parish.

I feel that from the information I have been able to acquire that the overall damage will be in excess of \$6 million. It is almost impossible at this time to actually itemize the total costs insofar as private damage is concerned. The larger damage incurred in St. Tammany Parish was the seawall in Mandeville and it has been estimated by the city officials to be approximately \$4 million. It is estimated that the damage to timber will amount to \$700,000. As far as this office can determine the owners of camps on the northern shore of Lake Pontchartrain and the eastern side of Highway No. 90 sustained an estimated damage in excess of \$382,000. One bridge was destroyed on Pearl River known as Jackson Landing Bridge and the police jury has estimated a cost of \$12,000 to replace. The cleanup costs of debris for the municipalities and the police jury of St. Tammany Parish comes to approximately \$146,150.

As I pointed out to your committee at the hearing in Baton Rouge, La., Hurricane Betsy has proven that there is needed certain modifications to the existing plans to the Lake Pontchartrain hurricane protection plan. Modifications should include height of levee and the extension of levee protection to higher ground in St. Tammany Parish, also additional seawall protection for that area of Lake Pontchartrain's north shore between U.S. Highway No. 90 to Bayou Dubuisson. After testimony to your committee I talked with Colonel Bowen, resident engineer, New Orleans district, and he assured me that at a later date testimony would be taken concerning these modifications.

At this time, I would like to take this opportunity to thank you and your committee for permitting us to appear and urge that you pursue to conclusion with all possible speed the hurricane protection system.

With kindest personal regards, I am.

Very truly yours,

GEORGE A. BROOM,
Sheriff, St. Tammany Parish.

Mr. MORRISON. Sheriff Tom Sanders of Tangipahoa Parish.
(No response.)

Mr. MORRISON. Sheriff Dorman A. Crow of Webster Parish.
(No response.)

Mr. MORRISON. Sheriff Tom Sanders of my home parish. We are glad to have you.

STATEMENT OF TOM SANDERS, SHERIFF OF TANGIPAHOA PARISH

Mr. SANDERS. Mr. Chairman, Members of Congress, friends, it is hard to make an estimate of damages but I want you to know that Tangipahoa Parish is next to largest to East Baton Rouge in Congressman Morrison's district. Listening to the eight cities or towns in our parish and also to the insurance losses, the losses from the timber companies, the cattle, we join New Orleans Parish by Lake Pontchartrain, across Lake Pontchartrain there. Just roughly speaking, I have determined that there is approximately \$11 million loss in Tangipahoa Parish. That is a rough figure. I think basically if you went farther than that and got down to all of the people who paid the deducted portion of the insurance it would run higher even than that. Incidentally, Jimmy, you missed Amite a while ago. The mayor of Amite is here.

Mr. HOWARD. How about your schools?

Mr. SANDERS. I tried to get something out of the schools. Most of the damage to the schools is inside the corporate limits of the cities. The cities are cleaning up for them. However, there is some damages.

Mr. MORRISON. Are the schools operating?

Mr. SANDERS. The schools are operating but they have had a lot of damage on roofs and stuff like that and they are trying to work it out now. I was with the superintendent the other night at a meeting, and he hadn't arrived at it yet, but he said he could use some help. They said the cities were helping him with moving debris and stuff right now.

Mr. MORRISON. Thank you.

(Report of damage by Mr. Sanders:)

AMITE, LA., September 25, 1965.

HON. ROBERT JONES,

Committee of Public Works, Baton Rouge, La.

DEAR CONGRESSMAN: A conservative estimate of damage resulting from Hurricane Betsy in Tangipahoa Parish would be \$11 million.

The above estimate is based mostly on a potential loss by the insurance companies of some \$4 million. The uninsured, the utilities, downed timber (unsalable), loss to public buildings, streets, drainage canals, and removal and clearing of debris would combine in making an additional \$7 million.

I hope the above is of some benefit to your committee.

Very truly yours,

THOMAS I. SANDERS,
Sheriff, Parish of Tangipahoa.

Mr. MORRISON. I have two more sheriffs and then I will call on the mayor that was scratched off the list there.

The next sheriff is Sheriff Belvin F. Bergeron of West Baton Rouge Parish. Do we have Mr. Bergeron or his representative here?

(No response.)

Mr. MORRISON. Sheriff W. C. Percy, Jr. of West Feliciana Parish.

(No response.)

Mr. MORRISON. The mayor I would like to call on to come up and file his statement at this time is Mayor Earle Cefalu of Amite, La.

STATEMENT OF EARLE CEFALU, MAYOR OF AMITE

Mr. CEFALU. I am Mayor Earle Cefalu of Amite. Our city clerk is preparing the estimate of the damages to Amite today and we will mail it tomorrow to Congressman Morrison. Thank you.

Mr. MORRISON. Thank you, Mayor.

I would like at this time to call on my distinguished colleague, Edwin Willis, who will introduce his public officials.

First, however, I would like to state that the Southern Bell Telephone Co. did, I think, an outstanding and a remarkable job. They have people in here from many, many States. I think something like 30 States to help put the service back in lines and works some 16 to 18 hours a day and likewise the Gulf States Utilities Co. here in the Baton Rouge area, the REA co-ops in all parts of the sixth district, Louisiana Power & Light Co., and Central Louisiana Electric Co. did an outstanding job in getting power back as quick as it was humanly possible to do and they had, I think, the telephone company and the power companies. I think there are some real unsung heroes who I talked to that have worked some 17 and 18 hours every day.

Now I yield to my distinguished colleague, Congressman Willis. Mr. WILLIS. Mr. Chairman, as I stated this morning, my district was very badly mauled by Hurricane Hilda last year while I was in the district and very top, efficient, outstanding service was rendered by both the Federal and State officials. Consequently, through their efforts and because of their experience, the mayors particularly in every town of my district, they went through what your mayors are now going through districtwide, Jimmy. They acquired knowledge of how to process claims and so on and consequently much of the paperwork, the application work and so on, has already been in.

For example, it was announced without my suggesting it yesterday by someone in attendance that a check had already been mailed yesterday, I think, to the mayor of Lafayette which is one of the largest cities in my district and a check had already been mailed to the little town of Parks, La., one of the smallest towns in my district. So I am glad that the mayors and the public officials are on the job.

However, Mr. Chairman, I was very pleased to have you include on your agenda of these hearings a notice which your full chairman, Mr. Fallon, sent to all the sheriffs to be present to hand in parishwide statements, and looking over the audience I don't know if they still all are in the room. I noticed that five out of the eight sheriffs of my district were and I hope still are in the audience.

Instead of proceeding in alphabetical fashion, I will start with the lowest part of my district; that is the part closest to touching the Second Congressional District in the Grand Isle area. And incidentally, whereas Hurricane Hilda hit my entire district just about the same last year, this one, Betsy, though of tremendously more severity, hit more forcibly in the area that I will call first. The eastern end, the lowest end of my district very badly hit, is represented here today by, I see him in the audience, Sheriff Eddie Ste. Marie. Eddie, I hope you have a statement and you may enlarge on it for a few minutes. I don't know what you are limping about. I know you almost drowned. I understand they don't have a reporter who understands French so tell us about that incident in English. I think we can get by.

STATEMENT OF EDDIE STE. MARIE, SHERIFF OF LAFOURCHE PARISH

Mr. STE. MARIE. Gentlemen of this committee, I am Eddie Ste. Marie, sheriff of the parish of Lafourche, and I want to ask this committee to let me give my time to my president of the police jury and I want to introduce to the gentlemen of this committee, my president of the police jury of Lafourche who has everything intact, Mr. T. M. Barker.

Mr. WILLIS. I'm not joking. He and I used to talk in French and so we spotted each other, but he almost drowned.

Mr. MORRISON. Will you yield a moment?

Mr. WILLIS. Yes.

Mr. MORRISON. That was such an amazing story about what happened to you that when one of the top announcers on Columbia Broadcasting Co. was asking me to explain about the hurricane damage down here and he asked me to give to the network some human interest story of how it affected a human individual, I picked you out

and told the story about how you were rescued just before you drowned.

MR. STE. MARIE. That is a true story, Congressman. I will try to cut it short, if you gentlemen will bear with me.

I was patrolling the roads and I had my State representative, Dick Guidry, with me; I had a member of the police jury and I had one of my deputies with me, Captain Pappa. If you gentlemen ever saw Captain Pappa, he was a wrestler. He looks like a bear. I want to say this, I drive a heavy car and just about 5 miles north of Golden Meadow at 9:25, we had to get off the road. What we were doing, the deputies and the State police, we were taking every car and we wouldn't send them nowhere else. We would make them break into a house and get in there, because we knew that the "eye" was hitting us.

I'll tell you what happened to me. When I went into the shelter with my State representative and the police jurors and the "Bear" I tried to use the phone to call my stations, one in Galliano, I have an office there, the lower end of the parish. I also have headquarters in Thibodeaux, and I have an office in Lockport.

Well, the telephones were out of order. I told my State representative that I was going to go to my car and call by radio. Well, you know experience is the greatest of teachers. I have been a policeman for 27 years. I just want to tell you what happened. I had a large raincoat, it was white, and I had heavy boots, and when I got out, it wasn't 20 feet away, we were approximately 100 yards from the bayou, Bayou Lafourche, and the winds took me. It form a balloon. Gentlemen, I don't know how high I went into the air but I do know one thing—if you gentlemen would ever ride through Lafourche Parish there is one thing that you will notice—especially in an airplane—to the left there is a lake, about a mile to the right is another lake, about a mile. I went so high and I knew I was turning and when I come back down, it formed a parachute and I hit the water and I never touched bottom. The waves were 5 feet high. I said to myself, "I'm in the lake" but, it wasn't a lake, I was in the bayou. I couldn't see, there was no lights and I want to tell you gentlemen this, I tried to take my boots off, I couldn't. I tried to take my raincoat off, I couldn't. I started to swim. I've been a good swimmer all my life, but I was going the wrong way. I was going up the current and I started to swallow water. So I started to swim to my right. You know, gentlemen, when you swim and you throw your hands out and you look this way and I saw a white object about 20 feet away. I turned around and started swimming to my left. That white object was a boat just about 20 feet away. It took me about, to me, 4 hours to get there. When I got there, I was exhausted. I couldn't grab the top of the boat—I knew there was a keel underneath the boat. I want to tell you gentlemen if you ever got—you know, I used to be in the levee business; I got hit hard in the rain, but I never had anybody hit me that hard. Them waves were punching me.

I went underneath the water, got underneath the boat because I knew the boat had to be tied with a rope. I grabbed on to that keel and I was pulling. When I got to the front part of the boat there was a rope. Don't you know I just passed that rope about 20 minutes ago? Two hours it looked like to me, but she was stretched right

out and when I did get to it; it took me about 10 minutes to get to it because the waves was a beating. There was the wind. When I got to it, I grabbed onto the rope. I weigh 200 pounds plus the water in the boots, plus the heavy raincoat. Only one thing happened, the boat started coming toward me, I done sunk again. Then I pulled myself closer to the bulkhead and when I did, I had a little flashlight in my mouth. The only thing that I want to tell you gentlemen, I had on that flashlight while I was holding onto the rope. I hung on so long that I was exhausted, I couldn't go no more. I was going to turn loose: I was going to let go.

I want to say to you gentlemen, whatever religion you belong to, if you believe in your God, more power to you, and the prayers that I knew, I said them.

Mr. MORRISON. Did you pray?

Mr. STE. MARIE. I prayed, and when I got to my last act of contrition I thought of my good wife; I thought of my three little daughters; and I thought of my deputies; and I thought of their families; and I thought of my friends, and I said: "God, bless them all." Just about when I was about to turn loose, there was a red light 2 feet away from me come a-whizzing. There was a car. I noticed an object. I knew it was a man. He walked out. I am a-hollering. My State representative, my two police jurors weren't but 2 feet away from me. The "Bear," he was a foot away from me. He couldn't hear me. I kept hollering at that man and he walked away from me. I said: "Well, goodnight, Irene."

So, he had forgot his flashlight and came back for his flashlight, and when he did, I took my little flashlight out of my mouth and I kept waving it and he saw me. And when he did, the other State troopers and my State representative, Dick Guidry, they wasn't but 20 feet. He is here today. He'll tell you that. The only thing was he couldn't get that other State policeman. And my State representative come help him because they couldn't bear him. That's how hard she was going. Because you see at Grand Isle at that time she was blowing 182 miles an hour and she must have been a-blowing that way because, like I say, I weigh 200 pounds and I couldn't hold.

What happened, I thought they had throwed me a rope but I done caught hold of another rope and got it around my neck. I said: "Don't you know what? They are going to pull my neck plum off of me." The only thing I did, I took that rope off of my neck and I tied it onto me and I caught hold of the bulkhead and I told them, "Please go back in the shelter, I'm going to lay; I'm going to make it." Because, you see, the bulkhead kept the waves from beating onto me. The only thing was is that they didn't hear me and I like to pull both those State policemen in that water and all three of us would have drowned. That was Sergeant Picou and Trooper Guidry. I want to tell the gentlemen of this committee, God bless those two boys. They saved my life.

And I want to say this, gentlemen, they took me into the shelter and my State representative, Dick Guidry, standing right back there, and my Captain Pappa, they never saw me even pass. That's how terrific it was.

I want to tell you gentlemen of this committee there is a God. I have had a lot of men in my life as a policeman put a gun right on

me. I never feared. But I want to say this, I saw myself dying. I knew I was going to die. That's why I tell you gentlemen there is a God. And the only thing I have always done everytime there is bad weather, I will always go into the 10th ward because she is the one that is hit the hardest. And that's the reason why I was down there, because I went down there for Hilda. Me and Captain Pappa was going to get the chief of police of Golden Meadow out of Golden Meadow because he didn't want to get out and the water was coming. We passed 10 minutes before the tornado took 24 lives away and hurt 117.

Gentlemen of this committee, we thank you for coming down here to hear our stories. Please help us. We need it. And let my president say a few words.

Thank you very much.

Mr. WILLIS. Thank you, Sheriff.

This is T. M. Barker of lower Lafourche, president of the police jury, which to you gentlemen, mean president of your commission and council or your board of commissioners; whoever runs your counties.

Tom, I am glad to have you. Tom, do you have a statement?

STATEMENT OF THOMAS M. BARKER, PRESIDENT OF POLICE JURY, LOWER LAFOURCHE PARISH

Mr. BARKER. Yes, I do sir.

Mr. Chairman, members of the committee, I have just handed Congressman Willis the first photograph which is a photograph of what is left of my summer home on Grand Isle.

I also have quite a few exhibits to file with the Chair's permission.

My name is Thomas M. Barker; I reside in Lockport, La., in Lafourche Parish. I have served as a member of the governing authority of our parish since 1952 and as president of the governing authority since 1957. I have also served as civil defense director of the parish for that many years. So in that time I have witnessed the effects of four hurricanes.

I am vice president and general manager of Valentine Sugars which is a corporation in the business of growing and processing sugarcane.

I respectfully request permission to file with the committee a copy of a report which I prepared for the officials of Lafourche Parish, dated September 22, 1961. The first part of this report deals with the observations relating to Hurricane Carla which entered the land area in the vicinity of Corpus Christi, Tex., on September 11, 1961. This hurricane caused a considerable amount of inundation in our area even though it was some 900 miles to the west of us.

I also respectfully request permission to file with the committee, a copy of a report which I have prepared for the members of the governing authority of Lafourche Parish on October 13, 1964. This report dealt with the observations following Hurricane Hilda, which hurricane entered the Louisiana coast in the vicinity of Marsh Island, approximately 80 miles west of Golden Meadow. Golden Meadow incidentally, was at ground zero as far as we are concerned in Lafourche Parish for Hurricane Betsy.

I also respectfully request permission to file with the committee, a copy of a report which I prepared on May 6, 1965, which report was

directed to the citizens of Lafourche Parish and summarized the hurricane protection program which your subcommittee, Mr. Chairman, only recently approved as part of the omnibus public works bill, which was also approved, the authorization I understand, on September 22, last Wednesday.

This report summarized in brief the system as designed by the Corps of Engineers and the Department of Public Works of the State of Louisiana and sets out the estimated cost to the U.S. Government in detail, the sources from which local money will be obtained.

I would like to pause at this point to express to you, Mr. Chairman, and through you to the members of your subcommittee, the appreciation of the citizens of Lafourche Parish for the favorable acts in which you were able to obtain by having the hurricane protection system for the Larose-Golden Meadow area included in the omnibus public works bill which was approved by the House this past week. On behalf of our citizens I would also like to add our thanks and appreciation to Congressman Willis and Senators Ellender and Long.

I am pleased to report Mr. Chairman, that the local money for this project has already been pledged and is available. Because of the keen interest of Governor McKeithen and the cooperation of our State senators, Senator Peltier and the Honorable Richard Guidry, the gentleman to my right, our State representative, we have been able to obtain \$600,000 from the State and this money will be immediately available as soon as the omnibus public works bill is approved by the Senate-House Conference Committee and signed by the President.

I am also pleased to report, Mr. Chairman, that a local proposition embracing hurricane protection in funds for necessary drainage construction has already been approved. A special election was held on July 20, 1965, and the property owners of our parish by an overwhelming vote, approved the sale of \$1,685,000 of public improvement bonds. A copy of that prospectus is available here for the Chair for the record.

Adequate funds have been made available from this amount to meet the balance of the local fund requirement necessary in order to bring about the successful construction of the hurricane protection system from the Larose-Golden Meadow area—

Mr. JONES. Just a moment, please. The various reports that you have of the prospectus will not be made a part of the record since it is not pertinent to these hearings. They can be incorporated by reference to and made available to the committee.

Mr. BARKER. All right, sir. Thank you, sir.

I have sir, a copy of a series of photographs which pictorially speak of the damage in Lafourche Parish and Grand Isle I would like to point out that we were spared the great water damage of our neighbors to the east. However, as evidenced by these photographs, we suffered severally from the winds of Hurricane Betsy. We did, however suffer also some water damage.

I also have, for filing by the reference of the committee with the clerk, photographs taken as a result of Hilda and Carla. Those photographs will show water damage in the Golden Meadow-Larose area.

We of Lafourche Parish recognize that it is impossible to protect our area against the effects of winds formed by hurricanes of the size of Betsy, but we do realize that we can be protected from the water damage from maximum hurricane tides.

I have obtained a summary from the various public, parochial subdivisions of our parish and would like to quickly summarize these for you.

Our schools suffered one-half million dollars damage, public schools; private schools, \$75,000; our State university \$200,000; our governing authority one-half million.

Mr. WILLIS. Do you mean the branch of the State university located in your parish?

Mr. BARKER. Right.

The city of Thibodaux, \$198,000; the city of Lockport, \$78,500, public; \$800,000, private; city of Golden Meadow, \$81,800, public; a million and a half, private; the sheriff's department, \$32,700; drainage, district, \$80,000; farming, \$5½ million; seafood industry, estimated, \$9 million; hospitals, \$74,500.

The operators of the utilities in our parish—electricity and telephone—have been so busy in their continuing efforts to reestablish power and communications that they were not able to provide me with estimates. However, they do feel that \$3 million will only be the beginning.

I have not attempted to present an estimate of losses suffered by the oil industry or the loss suffered by the oil field service industries in our parish, but I feel certain that these losses will add several million dollars.

The problem that we face in detailing the losses in the oil industry is that they have not yet been able to make their full survey. Therefore, we cannot obtain surveys from them. The service industries are so busy rushing to the aid of capping wells, of stopping free-flowing pipelines that they themselves are unable to give us an estimate.

Finally, I am certain that you, Mr. Chairman, as well as the members of your committee recognize that at this early stage it is virtually impossible to obtain a reasonable estimate as to the losses sustained by the residential and commercial properties in our parish. Pictures which I filed with you, I am certain, sir, will demonstrate that these losses will mount into many millions of dollars. However, it will be several months before reasonably accurate figures are available.

I fear, Mr. Chairman, that when the total losses in our parish are added together, it will exceed \$40 million.

I am greatly disturbed that although the people of our parish are responding and have already started to rebuild, that the losses to our economy will not be felt until the months of November and December of 1965. It will be at this time that the losses to the sugarcane growers and processors will start to show and their effect on the economy will be felt.

It will be at this time that the losses suffered by the oyster industry will show its effect, due to the fact that our oyster growers will have a greatly reduced harvest, and the oyster factories, and the oyster canning industry will not be reflected in this seasonable demand for labor.

It will be at this time that our cattlemen, who for the most part in ordinary times overwinter the majority of their herds until the strong prices are felt in the spring will, in this instance, be selling cattle on a depressed market. I say depressed because historically the markets in our area during October and November are low because of a selling wave which normally occurs by those other cattlemen who do not have

hay and grain and winter pasture to overwinter their livestock. In this instance we find that very few of the cattlemen were able to salvage hay because at least 90 percent of the hay barns in the lower part of the parish have been destroyed as evidenced by pictures which I am filing herewith.

Also the corn harvest was just beginning and much of the corn has been lost. If you will notice these pictures, you will note that in one picture corn actually sprouting in the field.

The combination of these circumstances will bring about a greater selling tendency than normally exists and consequently the pressures on the market will be felt and prices will undoubtedly become depressed even beyond their normal limits of depression. These are just a few observations as to the outlook for the immediate future.

I do not appear here as a pessimist, Mr. Chairman, but rather as one whose roots are firmly rooted in Lafourche and who fully intends to continue in the industry which I know. I appear rather as a realist, as one who has witnessed the ravages of two major hurricanes within the last 12 months and who is confident that our people will rebuild again but that they will need maximum help.

We unfortunately suffered great material loss. However, we are most thankful to God that in spite of the severity of the hurricane we did not suffer one recorded loss of life in our parish. I might say that if the hurricane had entered 60 miles to the west of us, such would not have been the case. The loss of life in Lafourche would have approximated, in our opinion, 300-500 minimum. The property loss would have been complete devastation in the Golden Meadow, Galliano Cut-off area, even as far up as Larose.

On behalf of the people whom I represent, I respectfully request the following specific assistance from you sir, and through you, from the Congress and the President. On behalf of the governing authority, I respectfully request that if it be possible, as soon as the authorization is approved by the President, that an appropriation be approved by the present Congress prior to adjournment, so that work on the hurricane protection system for the Larose-Golden Meadow area can begin immediately, and we cannot overemphasize. Even if it is possible, Mr. Chairman, to dispatch additional personnel into this engineering office, if Colonel Bowen needs it, and the colonel and I have spoken of this on many, many occasions and his office has been very, very helpful.

We also respectfully request that studies be made of the areas to the east and to the west of Bayou Lafourche to determine the amount of predicted water damage which we could expect from maximum hurricanes which would enter the coastline to the immediate west of Bayou Lafourche and, therefore, bring about tidal influences through openings east of us, such as through Bayou Perot, which bayou enters into the Intracoastal Waterway, Lake Salvador and thence through Bayou DesAllemand, Lake DesAllemand, Bayou Boeuf, Grand Bayou, and Bayou Chevreuil and avenues on the west of us by waters which would move to Timbalier Bay, Lake Barre, Lake Felicity, Lake Racourci, Terrebonne Bay and thence through the Houma navigation canal, Bayou Grand Caillou, Bayou Tie Caillon, Bayou Terrebonne, Bayou Pointe Au Chien, Bayou Grand Canal, and Bayou Blue.

We suggest that a study of the south bank of the Intracoastal Waterway from the Mississippi River to Morgan City is in order.

We suggest that consideration of the construction of flood control structures at all navigable water systems as they enter the Intra-coastal Waterway from the south, because when we add to the natural bayous all of the manmade canals which have been constructed in the last 20 years, we must recognize the fact that these combined avenues of approach for tidal influence will cause rapid inundation of the low lying areas throughout Lafourche Parish to as far north as the extreme upper boundary of our parish.

I hasten to reemphasize that I feel that our fishermen, our farmers, and our cattlemen should be eligible for low-interest loans which would be spread over a 10-year period. As an example, it is my understanding as was corroborated here today that 3-percent loans are available under certain circumstances from Farmers Home Administration. They are available only to farmers who cannot possibly obtain loans at higher interest rates from any other source.

It is my feeling that our Government should make available such long-term loans wherever major disasters occurred and that there should be no difference between homeowners, nonfarm businesses, farmers, fishermen, cattlemen, or any other element of our economy.

We will need much assistance in order to bring about a full recovery and it is my hope that as a result of these hearings your committee will be prepared to recommend to the Congress changes in emergency loan assistance so as to permit the gradual and orderly reconstruction of our economic society.

I have been advised since writing this brief yesterday afternoon late, that damages to the port facilities in the lower part of our parish exceed a million and a half dollars. This report was given to Representative Guidry by Chairman Rapoport of the port authority.

With respect to the damage of the fishermen the loss in revenues as Mr. Hair pointed out, these will be compounded by the destruction of nets, the debris floating in canals and bayous, in lakes, in bays where the inside shrimp are nearly caught.

I hesitate to say, but I am afraid it is true, that there is a certain amount of despondency which naturally sets in after these serious disasters. Our people are back on their feet and they are working, but there are many of our farmers who have indicated to me that they want to sell out, they want to get out. They don't know where they are heading but they want out. They have been hit twice in 12 months.

I would suggest also, sir, that your committee give consideration to recommending to the Congress that where any area of this country is struck by two major disasters within a 12-month period, that one of the loans that was made be forgiven. I do not believe necessarily in outright grants, but I do believe that it is our responsibility for my level of government on the State level and on the Federal level to do everything in our power to help our people.

I would like to say, sir, that the most frightening thing about the entire matter was the fact that our prognostication of weather was just about 4 hours off. By the time that the warning was given to evacuate schools, it was about 6 to 8 hours between that time and the time that the hurricane struck us full force. We can be thankful that such was the case this time, because if this hurricane had moved across our area at the normal 6 to 8 miles per hour, we would have had

hurricane force winds for 20 hours or more and many of us wouldn't be standing here today with you.

I thank you very much, sir.

Mr. JONES. You have made a case and it certainly shows that you have gained the information that the committee is welcome to receive, sir.

Mr. WILLIS. Now, for presentation of a statement and implementation, a matter of 3 minutes if possible as the time the chairman had set, moving in the same area, we see Sheriff A. P. Prejean, of Terrebonne Parish, next to Lafourche Parish.

Glad to have you, Sheriff.

(Material submitted available in committee files.)

STATEMENT OF A. P. PREJEAN, SHERIFF OF TERREBONNE PARISH

Mr. PREJEAN. Mr. Chairman, members of this committee, the police juryman from Lafourche painted a picture that applies to Terrebonne. Terrebonne Parish, I believe, has the longest coastline in the State of Louisiana. We have been hit by three hurricanes in the past 4 years, Carla, Hilda, and then Betsy.

I think maybe Hilda did a little more damage to our fishermen than Betsy. Of course our oyster industry, we don't know what it is. That's why there are no estimates possible of what happened to the city of Houma in the parish of Terrebonne, how much damage had been done to our oil industry, our sulfur mines, our shrimp, and our oysters. We don't know. We just know that we have been hit pretty hard.

However, I think that had we had adequate warning that this storm was coming—it took off from Florida and just didn't stop. It headed for the mouth of the Mississippi River. We were informed all the time where it was going. It did move fast. It's about the first time I've ever seen a storm just make up its mind and pack up and go. They usually hang off the coast for 12 hours or so, but we didn't have ample warning to insure the safety of our citizens.

I am chairman of our disaster committee in Terrebonne Parish and have been for quite a few years. I always have trouble finding generators, power. This is something that maybe we could ask this committee to help us with—generators. A shelter is not any good unless you have light. You also have to have pumps to pump the sewage out of your shelters.

Now, I have asked the police jury to provide one or two—one for the courthouse and another for the hospital. They just don't have the funds to come up and buy these big old diesel generators that are necessary. Generators are necessary to provide ample shelter for our citizens when they enter the shelter so that we can give them the best protection possible. So I would like to go on record as asking this committee to either make a study or a recommendation that our shelters be provided with adequate generators.

Our police cars—I had several units out that night and I had seven knocked out, so that's one-third of our unit that gets kicked around. There are so many things that a hurricane can bring on that you pick up the pieces afterward and, while you're trying to think and take care of people, you might slip up once in a while.

I would be glad to answer any questions this committee may have with reference to Terrebonne Parish. I have Hon. Mayor Broussard, who, if you ask him today would tell you what happened to the city.

Mr. WILLIS. Thank you very much, Sheriff.

May I call the attention of the committee and the chairman, although the sheriff is here and all my friends, and all my favorites to me, I happen to know, Mr. Chairman, that A. P. Prejean has not only been sheriff a long time, but, if I am not mistaken, he is one of the first sheriffs in the whole State of Louisiana to provide boats, that somehow he corralled in the quickest of time to save lives. He has moved out more people from water. This parish is completely surrounded by water.

Finally, Sheriff, let me say this. Yesterday in New Orleans Major Bowen—I didn't want to be repetitious—had a chart, and I'll never forget it because there was indication there in orange—am I right, Colonel Bowen—indicating a hurricane study circling the parish of Terrebonne. That is correct in short, isn't it, Colonel Bowen? That was on your map yesterday, that circle around Terrebonne in orange.

Colonel BOWEN. It came through there.

Mr. WILLIS. So I want to tell you that whereas the two hurricane protections that were mentioned a while ago had been authorized, you haven't been forgotten. Yours is under study.

Mr. PREJEAN. One point may I make in addition to this. When we build these hurricane protection levees, remember that our waters are the breeding ground for the shrimp in the Gulf of Mexico, and, if we put this protection levee where it is going to close these bays and bayous and whatnot, maybe we're going to destroy a multimillion-dollar industry, also.

Mr. WILLIS. Well, I don't want you to forget that the Corps of Engineers has that very much in mind and I am so glad that you recognize that those things just can't be provided without deep study. So I appreciate your patience.

Mr. PREJEAN. Thank you.

Mr. WILLIS. Now, in the same area, Sheriff Murray Landree was here a while ago. Sheriff, are you still here?

Mr. LANDREE. Here.

Mr. WILLIS. Sheriff Murray Landree, representing the parish of Assumption which is right across the river from Jimmy Morrison's district or rather Jimmy Morrison's district is right across from Mr. Landree.

STATEMENT OF MURRAY LANDREE, SHERIFF OF ASSUMPTION PARISH

Mr. LANDREE. Mr. Chairman, members of the committee, Assumption Parish is just north of Lafourche. My brother sheriff who was up here told you about his experiences in the storm. I am not going to take my 3 minutes to tell you about the damages; it is equivalent to what Lafourche Parish had. The report is being prepared by the police jury and will be forwarded to the chairman through you, Mr. Willis.

I would like to take a minute or so to ask the chairman and the members to do whatever is necessary and possible to assist the farmers. You've heard this time and time again. Now, in my parish I picked 40 of the poorest farmers we had in the 50- to 500-acre category. They came before the FHA representatives and the Farm Bureau. Only two qualified for any loans or any assistance at all. The Red Cross has done a wonderful job and the SBA has done a wonderful job where they meet the requirements, but the farmers, gentlemen, unless you can help them, these small farmers will be out of business and bankrupt within the next 3 years. So we ask you to do all you can for them. Thank you.

Mr. WILLIS. Thank you, Sheriff. Now moving west across the Atchafalaya River is the parish of St. Mary. I didn't see Chester Baudoin. Is he here?

Mr. MILLER. I am here on behalf of Mr. Baudoin.

Mr. WILLIS. Are you representing Chester?

Mr. MILLER. Yes.

Mr. WILLIS. Representative of the parish of St. Mary.

STATEMENT OF BOB MILLER, OF ST. MARY PARISH

Mr. MILLER. Mr. Chairman, members of the subcommittee, congressional members, my name is Bob Miller. I am a parish engineer, county engineer, for St. Mary Parish. As requested by Sheriff Baudoin and the police jury of St. Mary, I have compiled a report for the five cities or municipalities representing them and the police jury. We have the report completed. This does not cover public property, it does not include private property; it does not include any industries such as the great oil industry that we have south of us and also included within the parish, but I would like to give the report and a letter from the sheriff authorizing me to appear here.

I would briefly like to have the floor to just point out a few things. I have been in St. Mary Parish since 1959 as parish engineer. I have worked very, very close with your most graceful Corps of Engineers on a number of waterway projects, flood control, and I can say this, that they have been most cooperative in all of their works in our area. As you know, St. Mary Parish is at the bottom of your great Atchafalaya floodway. We are affected greatly by floods from the north and we are also affected greatly by the tidal water from the Gulf of Mexico, either by hurricanes or high south winds.

One thing I would like to ask the committee is to bring to the Bureau of Roads or recommend to them the feasibility of making a study to include a north-south road either in the vicinity of Terrebonne Parish or in the vicinity of St. Mary Parish.

Gentlemen, if you would—

Mr. JONES. Mr. Frank Turner with the Bureau of Public Roads is here. You might want to discuss it with him, but in view of your statement I would suggest you talk with the State Highway Department of the State of Louisiana and let them make the proposal in their normal fashion.

Mr. MILLER. Thank you, sir. We have adopted a resolution to send to the highway department on that. The reason I am bringing this out, gentlemen, is for extreme evacuation of the coastal parishes. In

this case, through St. Mary Parish we only have one highway, Highway 90 going east and west. The traffic over this highway was tremendous. In fact, some people moved 5 miles in 3 hours because of the flow of traffic we were receiving as far as Terrebonne, Assumption, and other parishes east of us. It put a burden through our area. The only reason I am bringing this out is because it does come under the hurricane protection.

The other thing that I would like to state in conclusion is this: I am a member of the State of Louisiana Intracoastal Seaway Commission, secretary of the commission. We have a program underway—

Mr. WILLIS. It was filed yesterday on that subject by Dr. Hamilton.

Mr. MILLER. Well, I am glad. I would like to state that this seaway, we feel, is something to be considered and we will very shortly meet with our congressional members of the State of Louisiana to show them what we have in this report. Reports are completed. I am glad that Dean Hamilton has filed this with you.

Gentlemen, if you have any questions, I will be glad to answer them.

Mr. WILLIS. Thank you very much, Mr. Miller. We appreciate your appearance.

(Reports of damages by St. Mary Parish follows:)

OFFICE OF EMERGENCY PLANNING, REGION 5

FEDERAL-STATE NATURAL DISASTER MEETING—PUBLIC LAW 875

Estimated damages, Hurricane Betsy

ST. MARY PARISH, FRANKLIN, LA.

Category	Basic category of work	Total
A	Debris clearance.....	\$6,000.00
B	Protective, health and sanitation measures.....	8,630.00
C	Streets, roads, and bridges.....	2,000.00
F	Public utilities.....	
	Total.....	16,630.00

MORGAN CITY, LA.

A	Debris clearance.....	\$51,564.00
B	Protective, health, and sanitation measures.....	4,874.00
C	Streets, roads, and bridges.....	None
D	Dikes, levees, and drainage facilities.....	1,450.00
E	Public buildings and related equipment.....	2,000.00
F	Public utilities.....	30,000.00
	Total.....	89,888.00

BALDWIN, LA.

A	Debris clearance.....	\$6,750.00
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FRANKLIN, LA.

A	Debris clearance.....	\$21,896.48
B	Protective, health and sanitation measures.....	1,640.03
F	Public utilities.....	10,975.00
	Total.....	34,511.51

PATTERSON, LA.

A	Debris clearance.....	\$15,000.00
B	Protective, health and sanitation measures.....	1,000.00
C	Streets, roads, and bridges.....	1,000.00
	Total.....	17,000.00

BERWICK, LA

A	Debris clearance.....	\$14,500.00
B	Protective, health and sanitation measures.....	500.00
D	Dikes, levees, and drainage facilities.....	4,500.00
E	Public buildings and related equipment.....	500.00
	Total.....	20,000.00

CONSOLIDATED REPORT, ST. MARY PARISH

A	Debris clearance.....	\$115,710.48
B	Protective, health and sanitation measures.....	16,644.03
C	Streets, roads, and bridges.....	3,000.00
D	Dikes, levees, and drainage facilities.....	5,950.00
E	Public buildings and related equipment.....	2,500.00
F	Public utilities.....	40,975.00
	Grand total.....	184,779.51

Mr. WILLIS. Now, again proceeding west for the three other parishes, I didn't see Sheriff Jerry Wattigny, of New Iberia. Does he have a representative here? [No response.] Then the sheriff of my own parish, Charlie Fuselier. Charlie, do you have a statement that you would like to file? I know that you don't like to talk too much.

STATEMENT OF CHARLIE FUSELIER, SHERIFF OF ST. MARTIN PARISH

Mr. FUSELIER. Mr. Chairman, members of the committee, and Members of Congress. I have here a report of the estimate of damages in our parish. We estimate the crop damages at \$1,320,000. The city of St. Martinsville \$46,000, the city of Breaux Bridge \$4,000. I don't have a statement from the village of Parks.

Mr. WILLIS. They were sent a check yesterday, I mean to Mayor Guidroz.

Mr. FUSELIER. I didn't get a statement from the city of Arnaudville which lies mostly in St. Landry Parish.

The insurance claims have been estimated at \$1,500,000. Now, that is not counting barns and some of these tenant houses that are not insured as Congressman Willis knows. That is not included in this estimate. Now, public utilities, they weren't hit as hard as they were in Hilda, and I have an estimate here of \$36,150.

Now, the oil industry was not—I think they were hit harder in Hilda than they were this year, and they gave me an estimate of \$74,500.

Our parish roads and drainage, we have an estimate of \$25,000, which is a grand total of over \$3 million.

Now, as they brought out, we have a lot of small farmers in our parish and last year we said, well, if they had another hurricane, they would be out of business. I don't know what they are going to do after this one. Congressman Willis can bear me out on this. So any help that we can get for our small farmers and our people will be appreciated.

Mr. WILLIS. Charlie, as you know, I am one of these Members of Congress that has no business being in the farm business, but I am nevertheless, and as indicated, one of those losing money.

Thank you, Charlie, ever so much.

(Report of damage by Mr. Fuselier:)

St. MARTIN PARISH.
St. Martinville, La., September 24, 1965.

Congressman ROBERT E. JONES,
Subcommittee on Committee on Public Works,
Washington, D.C.

DEAR CONGRESSMAN JONES: Listed below is an estimate of the damages to St. Martin Parish caused by Hurricane Betsy:

Cotton (1,000 bales)-----	\$150, 000
Rice (1,600 barrels)-----	100, 000
Hot pepper (\$200 per acre)-----	200, 000
Sugar cane (80,000 to 100,000 tons)-----	640, 000-800, 000
Okra, corn, soybeans, etc-----	10, 000
Pecans (450,000-pound crop)-----	50, 000
Pastures-----	10, 000
Crops-----	1, 320, 000
City of St. Martinville-----	46, 000
City of Breaux Bridge-----	4, 000
Insurance claims-----	1, 500, 000
Slemco, Lafayette, La-----	4, 000
Gulf States, Lafayette, La-----	3, 750
Cleco, New Iberia, La., Cleco Gas (approximately)-----	2, 400
Eche Electric-----	1, 000
Southern Bell Telephone Co-----	10, 000
Breaux Bridge Telephone Co-----	15, 000
Utilities-----	36, 150
Texaco, Inc-----	70, 000
Shell Oil-----	1, 500
Humble Oil (approximately)-----	3, 000
Oil companies-----	74, 500
Parish roads and drainage-----	25, 000

Sincerely,

CHARLES J. FUSELIER, *Sheriff.*

Mr. WILLIS. And then sheriff of Vermilion, I didn't see him here. Sheriff Delcambre, I don't see him. (No response.)

I see finally Sheriff Harson, of Lafayette. I know that he is here. Sheriff, we are glad to have you.

Is it true that Mayor Bertrand received a check for something like \$47,000 yesterday? I know he is efficient and they went through this and they processed these claims and—that's what was announced yesterday. Am I right or am I wrong in what I am saying?

Colonel BOWEN. Yes, sir. It was sent airmail special delivery.

Mr. WILLIS. How much was that check?

Colonel BOWEN. \$31,236.

Mr. WILLIS. That's what I thought. Parks was \$200-and-some-odd.

Colonel BOWEN. Yes, sir; that was final payment and this is partial payment to Lafayette.

Mr. WILLIS. Thank you. Sheriff, we are so glad to have you.

STATEMENT OF W. E. HARSON, SHERIFF OF LAFAYETTE

Mr. HARSON. Thank you.

I am not aware that they did receive the check. I was not in communication with the mayor since yesterday evening.

I am Sheriff W. E. Harson from Lafayette. I am submitting figures for the city of Lafayette given to me by the mayor, which they estimate damage to the city of Lafayette at \$1 million. This includes private homes, businesses, and utilities which are owned by the city of Lafayette. Our farmers received a tremendous blow again. This is the second time in 2 years.

Mr. WILLIS. Lafayette is a cotton area.

Mr. HARSON. Cotton. Mostly cotton and rice.

Mr. WILLIS. Well, I grow cotton and let me tell you they really mauled my crop. That wind and that rain did it.

Mr. HARSON. We have lost approximately 4,000 bales of cotton. Although since the hurricane the price of cotton has dropped almost one-fifth of what it was before, so we have some damages there that is not accounted for in actual cotton. Rice; it was damaged quite a bit. At least another 4,000 barrels lost, although the majority of it was harvested. I guess we have as much rice as we have cotton.

Our corn, estimated by the county agent's office—all of these figures are given by the county agent's office—as between 60,000 and 80,000 bushels. Our hay, which we have quite a bit for our cattle and our dairy business, we had 40,000 tons of hay lost.

Again, we have losses in our dairy from mastitis and their allied dairy causes which are not estimated in here.

Our school damage is slight compared to what it was last year. It is estimated by the school board at between \$20,000 and \$25,000. All schools are in operation and they were a week afterward.

We have Gulf States and Slemco, which were not hit too hard; \$60,000 estimated by Gulf States and about \$10,000 by Slemco. The estimates for the city included also \$55,000 estimated for cleaning debris from the city and surrounding area which is not incorporated within the city.

Thank you.

(Report of damage by Mr. Harson :)

PARISH OF LAFAYETTE, LA.,
September 22, 1965.

ESTIMATE OF DAMAGE CAUSED BY HURRICANE BETSY

(Estimated total damage for city of Lafayette (damage to homes, business places, utilities, etc., included in this figure))

Figures furnished by the mayor's office: Total damage to city of Lafayette \$1 million. Estimate of \$55,000 for cleaning debris and repair for Lafayette Parish; \$50,000 for city of Lafayette; \$5,000 for repair in area outside city of Lafayette. This figure includes repair to utilities, etc. Figures furnished by civil defense office.

Estimated crop damage: Cotton, loss of 4,000 to 5,000 bales. Rice, 3,500 to 4,000 barrels loss. Corn, 60,000 to 80,000 bushels loss. Hay, 40,000 tons loss. Figures furnished by county agent. Physical damage to farm property very small. Figures furnished by county agent.

Estimate damage to school property: Between \$20,000 and \$25,000. Figures furnished by school board office.

Estimate to Gulf States Utilities installations: \$60,000 electrical damage.

Estimate to Slemco installations: \$10,000 electrical damage.

Mr. WILLIS. Thank you, very much. Now, Mr. Chairman, finally here is Mayor Broussard from the city of Honma.

Mayor, I am glad to have you here. He is an oldtimer in the area, Mr. Chairman.

STATEMENT OF MAYOR BROUSSARD, OF HOUMA

Mr. BROUSSARD. Mr. Chairman, members of the committee, Members of Congress, we don't have a statement of the damages in the city of Houma as yet. It was extensive, to say the least, simply because we are one of the fortunate communities that owns all of its own utilities.

We own and operate the electric, gas, and water utility systems and, of course, we have extensive damage to buildings, to our lines of all types and we are compiling the information. It is our best guess at this moment that it will be in the neighborhood of \$1 million to all of the city.

If you have any questions, or if you have——

Mr. JONES. Mr. Mayor, just about 3 weeks ago, I guess it was, we authorized a construction of a Federal building in Houma.

Mr. BROUSSARD. That is correct.

Mr. WILLIS. He's the man who heads the committee. He's the fellow that punched me so hard to get that little building and I am glad we waited, because we didn't want to risk this loss.

Mr. BROUSSARD. Well, thank you very much. On behalf of the people of Houma and Terrebonne Parish we want to express our appreciation in getting that Federal building. It is badly needed and we know the efforts——

Mr. JONES. If you will ask him, he will know the exact figure. What was it?

Mr. BROUSSARD. \$1,886,000.29. Thank you.

Mr. WILLIS. Thank you, everybody. I don't think that I have skipped anyone, but that meets the chairman's agenda. Thank you ever so much.

Mr. JONES. Mr. Guy Curtis, head of the forestry division of the Crown Zellerbach Co. Mr. Curtis.

STATEMENT OF GUY CURTIS, OF CROWN ZELLERBACH CO.

Mr. CURTIS. Mr. Chairman, members of the committee, I think I would like for you to pass these pictures around. I believe this will show you what Hurricane Betsy did to the timberlands. These are of Livingston Parish where actually most of the damage occurred.



(Additional photographs depicting damage to be found in committee files.)

Now, after studies we think that there are probably 600,000 or 700,000 cords of wood on the ground. Most of this timber is large pine timber; sawmill pine timber, 15 inches and up. We think it's approaching 200 million feet. The sawmills in the area couldn't cut one-tenth of the sawmill timber, so we must have markets farther afield. I think it would be most helpful to us. We have been talking to the I. C. Railroads and they are going to try to get lower than normal rates and if we could get the ICC to quickly approve these rates. Now, I understand there is a precedent for that under section 22 of the ICC.

Mr. JONES. Yes, sir; there are provisions of law that could relax those rates.

Mr. CURTIS. Mr. Chairman, this saw timber will keep maybe 3 or 4 months. Then what is left there will be reduced to pulpwood. Now, we do have markets in Mississippi and Louisiana, big sawmills that would be glad to get this saw timber. I certainly hope that we can ship it out rather than see it lay on the ground and spoil.

Mr. JONES. I want the clerk to make a note of that section you referred to and also if you can supply us with additional information on marketing, the areas that can utilize this timber, because, as you say, time is of the essence on this.

Mr. CURTIS. Yes, sir. The timber could be used by the Roy O. Martin Lumber Co., in Alexandria; by the Tremont Lumber in Joyce; by the Donald Thrash Lumber Co., in Laurel, Miss.; and by the Tom DeWees Lumber Co., in Philadelphia, Miss. Those are the four large ones. There are quite a few small ones.

Mr. JONES. Do you know whether they are willing to buy this timber?

Mr. CURTIS. They have been down to look at it and will be glad to take it. The best thing is, Congressman, that they bring their crews, people, down there to produce it. We have everything going that we have down there now trying to put this timber under water.

Mr. JONES. What impediment do they suffer except the rail rate?

Mr. CURTIS. Well, in our own case—I can't talk for anyone else—we were selling sawtimber for \$35, but we are selling sawtimber for \$20. In other words, to try and take care of it.

Mr. JONES. Yes, sir.

Mr. MORRISON. Mr. Chairman, I certainly appreciate the gentleman coming all the way here from Bogalusa today to testify before the committee because in the hearing yesterday it was brought out about the extensive timber damage, and I think that the amount estimated in damage was around \$7 million. Is that right?

Mr. CURTIS. Well, we haven't tried to estimate it in dollars and cents. We have been trying to see what we could do to salvage as much of this timber. The question here now is your losses are going to depend on what you don't salvage here. Of course they are going to have losses on what you do salvage.

Mr. MORRISON. We find this, too, that as you have just so focused to it that our present sawmills, locally, can't handle all this lumber and timber prior to the time that it will deteriorate to where it will be absolutely—

Mr. CURTIS. No, sir; I met with them last Monday night and they are going to run 10 and 11 hours, but they do not have the experienced

help to put on two shifts, which I tried to get them to do. But they are going to do all they can and run 6 days a week.

Mr. MORRISON. Well, there is a mill there in Livingston that is applying for a small business loan. I think they suggested that they apply for one on a hurricane basis at 3 percent for \$100,000 and another one with another loan at 6 percent for \$100,000. They have a bandsaw there, but they could put in a gangsaw and a dry kiln and triple their capacity. Would that help?

Mr. CURTIS. It certainly would if he could get it in fast enough.

Now, another thing we have to worry about, of course, in these southern woods is the timber that we leave there that we can't get up either for pulpwood or for sawtimber. Now, we have about 6 months of sawtimber, but we'll never get up all this timber that is on the ground. We are going to have an insect and a bug problem that may be as bad as the timber loss. And, also, we have the fire season in this country right ahead of us that starts in October and unfortunately in Livingston Parish we usually have quite a few fires down there. If we have them this year, well, I would think the losses would be more than they are now.

Mr. JONES. Thank you very much, Mr. Curtis.

Mr. DORN. Mr. Chairman.

Mr. JONES. Mr. Dorn.

Mr. DORN. Mr. Chairman, we appreciate your specific recommendations about ICC. Now, you would suggest also that we may ask the Forest Service in Washington to look into the possibility of insect control, right?

Mr. CURTIS. Yes; they are sending some people in there, I believe, Monday morning.

Mr. DORN. And a lot of trees I notice here from the pictures are split up. You don't have much of a chipping operation down there, do you?

Mr. CURTIS. Oh, yes, you see, we have a big papermill at Bogalusa and we have another one in St. Francisville that will be working in November. Now, we are spending a great deal of money trying to get that mill ready sooner because not only do we have our own timber we are going to have to take care of as far as pulpwood is concerned, but we are going to have to take care of all these small people who have their timber down because they have no markets.

Mr. MORRISON. Will the gentleman yield?

Mr. DORN. I yield.

Mr. MORRISON. I would like to bring out—at your request, I took it up with the Governor—I made the request that your pulpwood trucks be allowed to haul timber, that instead of being the 8-foot width that normally the regulation says, that they be allowed to haul 8 feet 6 inch logs so that they could haul them to the U.S. Plywood operation there at Holden, La. The Governor agreed. He said that he would confer with the State police and the director of public safety, Mr. Thomas Burbank, and that that would be put into effect immediately. Now, will that help?

Mr. CURTIS. Yes, sir; it has helped and we have that permission to haul them in that length and we are carrying them to this plywood plant, which won't get started until March; but we are piling them all around the plant there and putting them under water, that is, under a sprinkle system.

Mr. DORN. How much below the normal market price will these farmers get for this timber?

Mr. CURTIS. Well, I don't know. In our case we know to get rid of this timber that we have to take care of part of this freight and everything else. We were getting \$35 for sawtimber, and we are taking \$20 now. We may have to go to \$15. I don't know.

Mr. DORN. What about pulpwood per unit? You were getting about 7 or 8 on the stump in the woods?

Mr. CURTIS. Since we will be the buyer, we won't reduce the price of pulpwood. In our case, we are the buyers, so we are going to pay these people and use that wood as long as it is sound and we can make a piece of paper out of it.

Mr. DORN. I would like to commend you for that and I think this is very fair.

Mr. CURTIS. In one case we are the buyer and in the other case we are the seller.

Mr. JONES. Thank you very much, Mr. Curtis.

That concludes the witnesses that were listed to appear before the subcommittee today.

I wish to thank those who provided us space and afforded us this fine accommodation for our hearing quarters. Also, the witnesses have been prompt and responsive through all the interrogatories propounded to them.

As I stated yesterday, this is a sad occasion for our visit to Louisiana, but I want to tell you again that we are going to work as hard and as earnestly as we know how to provide not only the permanent types of relief but those that are immediately needed to rehabilitate and to have the economy of this area in full motion.

Thank you for your kindness and your attention which you have given to our problem.

Mr. WALKER. Mr. Chairman, I would like to reiterate what I said yesterday that on behalf of the minority side of Congress and certainly the Commissioner of Public Works, we certainly appreciate your problem and I will carry these problems back to the people on the minority side of the House as well.

Thank you.

(The following was furnished for insertion:)

U.S. DEPARTMENT OF AGRICULTURE,
FEDERAL CROP INSURANCE CORPORATION,
Jackson, Miss.

HON. ROBERT E. JONES, JR.,
*Chairman, Subcommittee on Natural Resources and Power, House Office Building,
Washington, D.C.*

DEAR MR. JONES: I attended the recent hearings at New Orleans and Baton Rouge as a representative of my agency, the Federal Crop Insurance Corporation. It was my understanding that you wanted a report on our service potential to those suffering losses due to hurricane and flood in this and future years.

The Federal Crop Insurance Corporation insures farmers' crops on an all-risk basis against loss from unavoidable causes. The amount of the protection is limited by the legislation to a maximum of the cost of producing the crop. We are directed by the Congress to provide protection for premium rates that will result in farmers' premiums over a period of years providing the funds used to pay the indemnities for insured losses. Administrative costs of operating the program are not included in the premium rates but are provided by the Congress through appropriations and authorizations of funds to be used from premium income.

Participation in our program is voluntary with the farmer applying prior to planting for our all-risk protection. He pays an annual premium for this protection under a lenient credit policy. He can pay for his protection with returns from the insured crop instead of paying in advance of the protection being provided.

The all-risk protection, of course, includes the risks of hurricane and flood which did such extensive damage in Louisiana. We will be paying numerous claims in Louisiana, Mississippi, Arkansas, and Tennessee as a result of Hurricane Betsy and the weather conditions that have followed.

Since 1948 when we operated in only 375 counties, our insurance service has been gradually expanded by the Congress until we are now operating in 1,214 counties. Some of the areas hardest hit in Louisiana are those in which we are not yet making our protection available; unfortunately too, many farmers where our service is available had not elected to use our insurance to protect themselves against such crop disasters.

We do not presently offer insurance on sugarcane which was severely damaged by the hurricane. Some requests have been received recently by the Corporation for insurance of the sugarcane crop. Experimental work on insurance for sugarbeets was started by the Corporation in 1965.

Although we do not have an insurance plan for standing timber, it is my understanding that a study is being made of this potential insurance area.

Under our insurance plans we guarantee the insured farmer a specified amount of production. If due to unavoidable causes, his production falls below our guarantee an indemnity is paid to the insured. We make the guarantee in terms of the commodity units such as pounds for cotton and rice or bushels for soybeans. We determine the amount that the insured's production is short of the guarantee and multiply this by the price per pound or bushel that he has elected. The insured has a choice of three prices to be used to determine the amount of his indemnity and his premium. This enables the insured to adjust his premium and his protection to his need and the amount of annual premium that he prefers to pay. For example on a particular insurance unit of 20 acres, our guarantee might be 250 pounds of cotton per acre or 5,000 pounds of cotton for the unit. If the insured produced only 3,000 pounds, he would be 2,000 pounds short of our guarantee. If his price election was 30 cents per pound, we would pay him an indemnity on that insurance unit of 2,000 pounds times 30 cents or \$600.

The attached list of Louisiana parishes shows the parishes in which we are offering Federal crop insurance in 1965 and the crops on which insurance is offered. The three crops insured in the State are cotton, rice, and soybeans. The crops insured are those in which a figure shows in the column and the figure is the year that insurance was first offered on the crop in the county. Those showing 1948 may have been started earlier since this was the year that the scope of the Corporation's operations was cut back to 375 counties for experimental operations aimed at developing a sounder base for offering the insurance.

The attached map shows with diagonal lines the Louisiana counties in which Federal crop insurance was available in 1965 and by letter within the county, the crops insured.

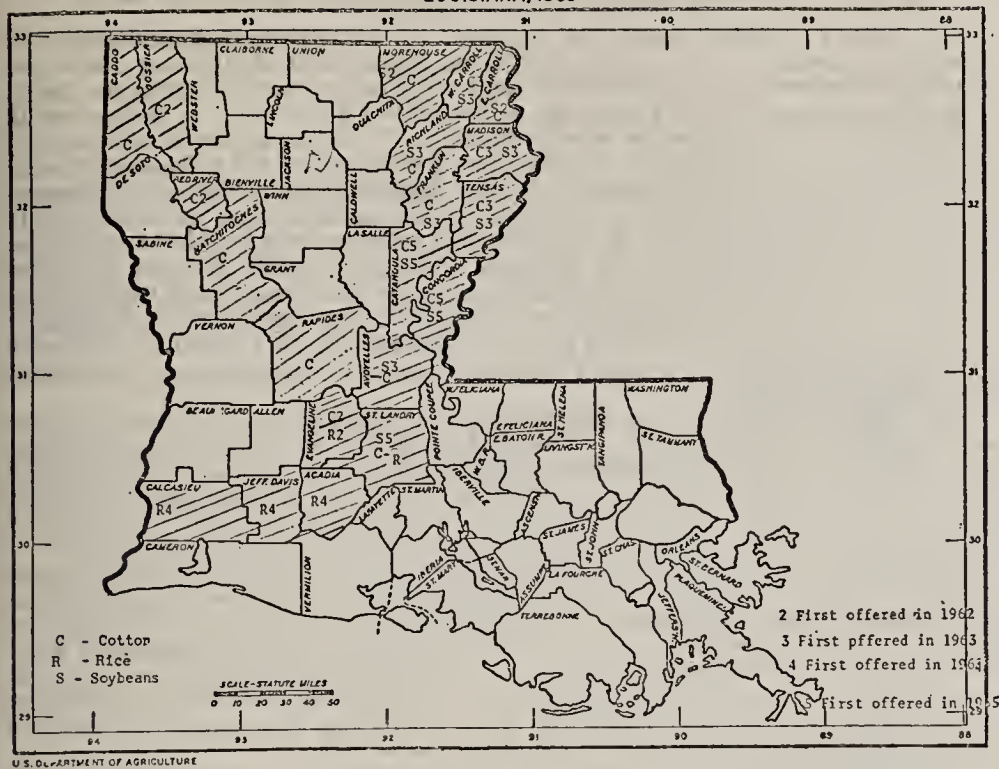
If you should desire any additional information regarding Federal crop insurance, I will be pleased to provide it or you may want to contact the Manager of the Corporation, Mr. John Luft, at our headquarters office in Washington, D.C., in the Department of Agriculture.

Federal crop insurance can do much to cushion the impact of crop disasters for farmers and their business communities. The extent of our service, of course, is necessarily limited to those who are willing to pay the annual premiums required for this protection.

Sincerely yours,

JAMES S. SMITH,
Mississippi State Director.

LOUISIANA, 1933



Louisiana

Parish	Year offered			Parish	Year offered		
	Cotton	Rice	Soybeans		Cotton	Rice	Soybeans
Acadia		1964		Madison	1963		1963
Allen				Morehouse	1951		1962
Assumption				Natchitoches	1948		
Avoynes	1953		1963	Orleans			
Beauregard				Ouachita			
Bienville				Plaquemines			
Bossier	1962			Pointe Coupee			
Caddo	1948			Rapides	1954		
Calcasieu		1964		Red River	1962		
Caldwell				Richland	1948		1963
Cameron				Sabine			
Catahoula	1965		1965	St. Bernard			
Claiborne				St. Charles			
Concordia	1965		1965	St. Helena			
De Soto				St. James			
East Baton Rouge				St. John the Baptist			
East Carroll	1955		1962	St. Landry	1956	1960	1965
East Feliciana				St. Martin			
Evangeline	1962	1962		St. Mary			
Franklin	1952		1963	St. Tammany			
Grant				Tangipahoa			
Iberia				Tensas	1963		1963
Iberville				Terrebonne			
Jackson				Union			
Jefferson				Vermillion			
Jefferson Davis		1964		Vernon			
Lafayette				Washington			
Lafourche				Webster			
La Salle				West Baton Rouge			
Lincoln				West Carroll	1963		1963
Livingston				West Feliciana			
				Winn			

BUREAU OF PUBLIC ROADS ACTIVITIES FOLLOWING HURRICANE BETSY

The Bureau of Public Roads, by virtue of its decentralized organization and close working relationship with the Louisiana Department of Highways, was able to promptly assume its responsibilities under the law following Hurricane Betsy.

Hurricane Betsy struck Louisiana on September 9 and 10. On September 13 five teams were organized to survey damage. These teams were composed of three engineers, one each from the Bureau of Public Roads, the Louisiana Department of Highways, and the appropriate local jurisdiction illustrating the cooperative nature of the undertaking. These teams began their work on September 14 and were later supplemented by an additional team making a total of six teams. They have completed surveys of damages to the Federal-aid systems and other State highways in 28 of the 37 parishes and begun assessment of damages to the local roads and streets in advance of a request from the Office of Emergency Planning to do so. Public Roads has the responsibility of assessing damages to local roads and streets not on the Federal-aid systems for the Office of Emergency Planning upon request.

Gov. John J. McKeithen on September 13 proclaimed an emergency to exist as a result of Hurricane Betsy. The Federal Highway Administrator on September 23 concurred in the proclamation finding that an allotment of emergency funds to repair damages to the Federal-aid highway systems was warranted under the provisions of section 125 of title 23, United States Code, "Highways." Emergency funds are available for allotment as repair projects are programed.

Contrary to other types of disasters such as floods and earthquakes wherein damage to highway bridges are substantial, damages to highways from Hurricane Betsy were moderate as compared to damage to private properties. Damage was principally caused by high winds and consisted primarily of debris on the roadways and directional signs blown down. As of September 24, damages to highways appears to total about \$2½ million, consisting of one-half million dollars on active highway construction projects, \$1½ million on the Federal-aid systems and one-half million dollars on other State and local roads.

Insofar as operations in the highway field are concerned we consider that existing legislation is adequate to meet the needs when considered in conjunction with the responsibilities of the Office of Emergency Planning.

Hurricane Betsy, Louisiana, Sept. 9, 1965

Parish	Damage to highways	
	Federal aid	State and local
LaFourche.....	\$225,000	\$30,000
Terrebonne.....		
Jefferson.....		
Orleans.....		
Plaquemines.....		
St. Bernard.....		
St. Charles.....		
St. James.....		
St. John.....	(1)	(1)
Subtotal district 02.....	1,100,000	400,000
Acadia.....	604	-----
Iberia.....	1,728	-----
Lafayette.....	2,129	-----
St. Landry.....	2,627	188
St. Martin.....	1,505	1,090
St. Mary.....	2,962	1,312
Subtotal district 03.....	11,555	2,590
Ouachita.....	-----	-----
Richland.....	-----	30
Subtotal district 05.....	-----	30
Avoyelles.....	34	30
Rapides.....	30	33
Subtotal district 08.....	64	63
Caldwell.....	1,721	-----
Catahoula.....		
Franklin.....		
Concordia.....		
Tensas.....	(1)	(1)
Subtotal district 58.....	(1)	(1)
Ascension.....	16,188	4,852
Assumption.....	24,000	1,840
East Baton Rouge.....	52,318	10,462
East Feliciana.....	25,476	2,100
Iberville.....	14,200	3,000
Pointe Coupee.....	19,300	5,000
West Baton Rouge.....	11,995	2,400
West Feliciana.....	17,250	4,100
Subtotal district 61.....	180,727	33,754
Livingston.....	26,955	5,100
St. Helena.....	9,750	-----
St. Tammany.....	9,775	14,160
Tangipahoa.....	15,150	6,240
Washington.....	4,870	8,040
Subtotal district 62.....	66,500	33,540
Total.....	1,360,567	469,977

¹ Estimate not complete.

HURRICANE DAMAGE TO STATE OF ALABAMA

STATE OF ALABAMA,
CIVIL DEFENSE DEPARTMENT,
Montgomery, September 27, 1965.

Hon. ROBERT E. JONES,

Chairman, Special Subcommittee of the Committee on Public Works, House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR CONGRESSMAN JONES: Responding to telegram of September 21, 1965, addressed to and received by Hon. George C. Wallace, Governor, State of Alabama, from Hon. George H. Fallon, chairman, Committee on Public Works of the House of Representatives, advising that you had been appointed to serve as chairman of a Special Subcommittee of the Committee on Public Works to investigate and report on all phases of disaster wrought by Hurricane Betsy, we are glad to give you the report from Alabama.

Governor Wallace transmitted the telegram to me for handling and in lieu of presenting the information on damages sustained in Alabama, from Hurricane Betsy, directly to you in New Orleans, as arranged with you by telephone, I am giving you the information we have been able to compile, as follows:

Baldwin County, Ala.:

Wind and water damage to piers extending into Gulf of Mexico, at, and in the vicinity of Gulf Shores-----	\$24, 000
Wind and water damage to dwellings in the vicinity of Gulf Shores--	15, 000
Water damage to streets and roads, Gulf Shores and vicinity-----	10, 000
Wind and water damage to commercial buildings at Gulf Shores and along causeway along north shoreline of Mobile Bay-----	16, 000
Wind damage to pecan crop—Green premature pecans blown from trees-----	100, 000

Estimated damage sustained in Baldwin County, Ala----- 165, 000

Mobile County, Ala.:

Wind and water damage reported in Mobile County, Ala----- None

Reports received concerning damage in Mobile County did not reveal any damage of consequence, although powerlines were downed in some areas and it was believed the pecan crop suffered to some degree, but no estimate available on these at this time.

The damage estimates for Baldwin County were prepared by and obtained from Mr. J. F. Dusenbury, coordinator, Baldwin County Civil Defense organization. He made a countywide survey and the results are reflected in our report.

The report made herein concerning the damage in Mobile County represents the information requested and received from Mr. Howard P. Black, coordinator, Mobile County Civil Defense organization. He said he had heard of no extreme damage anywhere in Mobile County.

We certainly trust you may find this report commensurate with your requirements and if we may furnish you with additional information we shall be glad to do so. Also, if our investigation further reveals any material additional unreported damage, we shall certainly furnish such information to you promptly.

With warmest regards and best wishes, I remain,

Most cordially,

J. FRANK MANDERSON, *Director.*

FARMERS' LOSSES CAUSED BY HURRICANE BETSY

(Prepared by Farmers Home Administration)

FLORIDA

1. Tomatoes: 100 percent loss or approximately \$100,000. The money loss is small because the crop had been set for only 2 weeks.

2. Avocado: Fruit damage 90 percent or \$1 million. Tree damage 60 percent or \$750,000.

3. Limes: Fruit damage 60 percent or \$300,000. Tree damage 40 percent or \$200,000.

4. Livestock : No significant damage.
5. Poultry : Hens and broilers 15 percent damage or \$40,000.
6. Farm equipment : No significant damage.
7. Farm dwellings : No significant damage.
8. Poultry houses : 50 percent damage or about \$100,000.
9. Greenhouses : 50 percent damage or about \$200,000.
10. Total damage : \$1,690,000.

NOTE.—The described damage was primarily in Dade County.

LOUISIANA

1. Sugarcane : 32 percent loss or approximately \$25 million.
2. Cotton : 14 percent loss or about \$16 million. Losses by some farmers were as high as 80 percent.
3. Rice : Only about 1 percent of the total crop or about \$6 million. Seventy percent of the rice crop had been harvested. Approximately 50 percent of the remaining 30 percent was destroyed.
4. Pecans : 33 $\frac{1}{3}$ percent loss or \$2 million.
5. Soybeans : Less than 1 percent loss or about \$600,000. However, individual farmers had losses ranging from 3 percent to 40 percent.
6. Livestock : 4,000 head of cattle valued at about \$500,000 reported drowned or lost.
7. Farm equipment : Damage too small for estimate.
8. Buildings : 750 dwellings and farm buildings valued at \$7,500,000, destroyed ; 10,000 dwellings and farm buildings damaged to extent of about \$5 million. Most of these buildings were covered by insurance.
9. Total damage : \$62,600,000.



SOUTHEAST HURRICANE DISASTER (HURRICANE BETSY)

(89-21)

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HEARING BEFORE THE COMMITTEE ON PUBLIC WORKS HOUSE OF REPRESENTATIVES EIGHTY-NINTH CONGRESS FIRST SESSION ON H.R. 11539, and Similar Bills

WASHINGTON, D.C.
OCTOBER 13, 1965

Printed for the use of the Committee on Public Works



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SOUTHEAST HURRICANE DISASTER

(Hurricane Betsy)

WEDNESDAY, OCTOBER 13, 1965

HOUSE OF REPRESENTATIVES,
COMMITTEE ON PUBLIC WORKS,
Washington, D.C.

The committee met, pursuant to notice, at 9:30 a.m., room 2167, Rayburn House Office Building, Hon. Robert E. Jones (acting chairman) presiding.

Mr. JONES. The committee will be in order.

The first business today is to consider H.R. 11539, introduced by Mr. Fallon, a companion bill by Mr. Cramer and others from the Louisiana delegation.

(The bill follows:)

[H.R. 11539, 89th Cong., 1st sess.]

A BILL To provide assistance to the States of Florida, Louisiana, and Mississippi for the reconstruction of areas damaged by the recent hurricane

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby recognizes that the States of Florida, Louisiana, and Mississippi suffered extensive property loss and damage as a result of Hurricane Betsy in 1965 (including, but not limited to, loss and damage from flood, high waters, and wind-driven waters caused by such hurricane) and that there is a need for special measures designed to aid and accelerate these States in their efforts to provide for the reconstruction of highways and public works projects, and to otherwise rehabilitate these devastated areas.

SEC. 2. Notwithstanding any other provision of law, trailers provided as a result of Hurricane Betsy as temporary housing under clause (d) of section 3 of the Act entitled "An Act to authorize Federal assistance to States and local governments in major disasters, and for other purposes", approved September 30, 1950, as amended (42 U.S.C. 1855b), may be sold directly to the persons who are the occupants thereof at prices that are fair and equitable.

SEC. 3. In the administration of the disaster loan program under section 7(b)(1) of the Small Business Act, as amended (15 U.S.C. 636(b)), in the case of property loss or damage in the States of Florida, Louisiana, and Mississippi resulting from Hurricane Betsy, the Small Business Administration, to the extent such loss or damage is not compensated for by insurance or otherwise, (1) shall at the borrower's option on that part of any loan in excess of \$500, (A) cancel up to \$1,800 of the loan, or (B) waive interest due on the loan in a total amount of not more than \$1,800 over a period not to exceed three years; and (2) may lend to a privately owned school, college, or university without regard to whether the required financial assistance is otherwise available from private sources, and may waive interest payments and defer principal payments on such a loan for the first three years of the term of the loan.

SEC. 4. In the administration of the emergency loan program under subtitle C of the Consolidated Farmers Home Administration Act of 1961, as amended (7 U.S.C. 1961-67), in the case of property loss or damage in the States of Florida, Louisiana, and Mississippi, resulting from flood, high waters, or wind-driven water or uninsurable crop loss, caused by Hurricane Betsy, the Secretary of Agriculture shall, to the extent such loss or damage is not compensated for by insurance or otherwise, at the borrower's option on that part of any loan in excess of \$500, (1) cancel up to \$1,800 of the loan, or (2) waive interest due on the

loan in a total amount of not more than \$1,800 over a period not to exceed three years without regard to whether the required financial assistance is otherwise available from private sources.

SEC. 5. The Secretary of Housing and Urban Development shall undertake an immediate study of alternative programs which could be established to help provide financial assistance to those suffering property losses in flood and other natural disasters, including alternative methods of Federal disaster insurance, as well as the existing flood insurance program, and shall report his findings and recommendations to the President for submission to the Congress not later than nine months after the appropriation of funds for this study, except that the findings and recommendations on earthquake insurance shall be reported to the President for submission to the Congress not later than three years after the appropriation of funds for this study.

SEC. 6. There is hereby authorized to be appropriated not to exceed \$70,000,000 to carry out this Act, and such sums shall remain available until expended.

SEC. 7. This Act, other than sections 5 and 6, shall not be in effect after January 1, 1967, except with respect to payment of expenditures for obligations and commitments entered into under this Act on or before such date.

SEC. 8. This Act may be cited as the "Southeast Hurricane Disaster Relief Act of 1965".

Mr. JONES. The committee at the direction of the chairman, Mr. Fallon, held hearings in New Orleans and Baton Rouge. We visited the affected areas, the subject of this bill. The members of the committee that were in attendance were Mr. Gray, Mr. Johnson, Mr. Dorn, Mr. Roberts, Mr. Everett, Mr. Kee, Mr. Schmidhauser, Mr. Howard. Also there was Mr. Walker of Mississippi, representing the Republican committee members.

We were accompanied on our trip by the various agencies and activities of the Federal Government that were playing a role and a part in the relief work that will be carried out under the terms of this resolution.

We also had as our hosts, Mr. Boggs, Mr. Hébert, Mr. Morrison, Mr. Long, and Mr. Willis. We visited their congressional districts. We saw firsthand the terrific damage that resulted from Hurricane Betsy. It is the hope of the committee that we can conclude hearings today.

We heard the Governor and all the responsible agencies of the State of Louisiana. We heard representatives from the State of Mississippi and representatives from the State of Florida.

We have had extensive hearings and charts on all of the Federal and State agencies and citizens of the communities that we heard from.

It was not a new experience for this committee but we held some six similar hearings throughout the country since January 3 of this year.

The committee is very sympathetic. Mr. Cramer and I and other members of the committee have held endless discussions with the agencies that helped fashion and draft the resolution that we will consider today.

So it has been a pleasant effort on our part and we are most appreciative to the members and staff of the committee and the interested parties that have come to our rescue and aid in drafting what we think is a sensible, wise and a prudent approach to this entire problem.

We have today as one of the sponsors of the resolution, Congressman Boggs, of Louisiana.

Mr. Boggs, would you proceed?

STATEMENT OF HON. HALE BOGGS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF LOUISIANA

Mr. BOGGS. Mr. Chairman and members of the committee, Senator Long, the majority whip of the Senate, is here as well as my colleagues, all of whom have worked on this bill. I shall be as brief as possible in consideration of the committee and of my colleagues.

(The statement of Mr. Boggs follows along with analysis:)

STATEMENT OF HON. HALE BOGGS, MEMBER OF CONGRESS FROM LOUISIANA

Mr. Chairman and members of this distinguished committee, it is with a sense of solemn urgency that I appear before you today. At the same time, it is with a sense of profound gratification and pride for the genuine concern you are showing for the people of our Nation—and particularly for the citizens of Louisiana, Mississippi, and Florida.

I am happy to commend my colleague from Alabama, Mr. Jones, and the other members of this committee who also served on Mr. Jones' special subcommittee to investigate the effects of Hurricane Betsy at hearings last month in Louisiana. For your sincere concern for the welfare of the people of my State and of Florida and Mississippi—who suffered the ravages of Hurricane Betsy—I thank you from the bottom of my heart. For your willingness to take time from your busy schedules to spend a weekend in Louisiana hearing extensive testimony and gathering information—and for your devotion to duty here today—I salute you. I know I speak for all the members of the Louisiana delegation—my colleagues, Mr. Hébert, Mr. Willis, Mr. Morrison, Mr. Long, Mr. Passman, Mr. Waggonner—and Senators Allen Ellender and Russell Long—when I express our thanks to you.

I say it is with a sense of urgency that I come before you today to speak for this comprehensive bill to provide additional financial assistance to citizens who suffered property losses from Hurricane Betsy in Louisiana, Florida, and Mississippi. I say this, in part because the session is late—but more importantly, I say it because many people in these States desperately need more financial aid and relief. Under conditions of discomfort, and in some cases, hopelessness, time is very important to those people whose homes, farms, businesses, and so on have been destroyed, and whose savings are small or already depleted. For them, a week can be as a month, a month as a year, in their wait for a helping hand.

With this legislation, we in Congress can give that helping hand—we can restore to the homeowner, the farmer, the small businessman, and to the administrators of private schools and of colleges and universities, the means to forge ahead confidently in their chosen paths of endeavor. I urge this committee to report favorably this legislation as expeditiously as possible. With your positive action, I am confident we can obtain House action within the next few days and hopefully, have the Senate approve the legislation before we adjourn this session.

Many members of this committee, under the able direction and guidance of Congressman Jones, journeyed to Louisiana for last month's hearings. You saw firsthand some of the terrific property destruction which had come in the wake of Hurricane Betsy. You heard testimony on Betsy's devastation from Governor McKeithen and from municipal and parish officials and from Federal agency officers on the tremendous destruction wrought by this hurricane. Homes, farms, businesses, schools, and other property were destroyed or severely damaged—some communities south of New Orleans, such as Grand Isle, Jefferson Parish, and others, were virtually wiped out. Most of the deaths (there were more than 70 citizens who were killed in Louisiana) and the property damage in South Louisiana came from floodwaters, driven by 125-mile-an-hour winds, which caused tidal waves to rush over and through back levees to the east and south of New Orleans; through the industrial canal and the Mississippi River-to-Gulf Tidewater Channel.

To Louisiana alone, Hurricane Betsy has caused property damage in excess of \$1 billion. The total loss could reach \$1.5 billion when the final tally of destruction is completed. In terms of dollar loss, Hurricane Betsy was the most terrible natural disaster to hit our country. Mr. Robert Shea, vice president of the American Red Cross, has stated that Betsy is the largest disaster the Red Cross has dealt with since the Ohio and Mississippi River floods of 1937. Mr. Shea also has noted that this hurricane was the worst one, in terms of property losses, and Red Cross expense, in the history of the Gulf States region. The cost of Hurri-

cane Betsy to the Red Cross alone in Louisiana and Mississippi will probably reach \$15 million, and may go higher, Mr. Shea has estimated.

The Red Cross, which has performed magnificently to help victims of Betsy's wrath, in cooperation with many agencies of the Federal, State, and local governments, reports that some 1,600 homes were completely destroyed in Louisiana, Florida, and Mississippi. The majority of these destroyed homes were in my State.

Furthermore, major damage was sustained by about 21,500 homes in the 3 States—again, Louisiana was the hardest hit, with more than 21,000 homes severely damaged. And damage of a lesser nature was sustained by more than 140,000 dwellings in the 3 States, reports the Red Cross.

More than 400 farm buildings were destroyed—and more than 1,000 of them were badly damaged in the 3 States. More than 2,000 boats—the means by which so many people in south Louisiana earn their livelihood as fishermen—were destroyed or badly damaged. Almost 3,000 small business were demolished or severely wrecked by Betsy's havoc. Again, most of these were in Louisiana.

Those families living in trailers saw more than 1,100 of their homes destroyed, and more than 2,200 of them damaged heavily.

All of this the Red Cross has reported, as the Herculean task of rehabilitation and restoration continues. Some 175,000 families suffered some kind of property loss from Hurricane Betsy. More than 120,000 people were given emergency and/or temporary shelter—and more than 225,000 were fed by the Red Cross in cooperation with our Nation's Armed Forces and emergency volunteers. To date, more than 8,000 families have received individual assistance from the Red Cross—this does not include those families who received emergency mass care immediately after the hurricane passed and whose cases have been closed. Furthermore, more than 33,000 families have received some emergency assistance from the Red Cross in Louisiana, Florida, and Mississippi.

In the city of New Orleans and in the adjoining parishes of Jefferson, St. Charles, St. John the Baptist, and St. James—for which I have damage estimates—schools, colleges, and universities, both public and private, were severely hit by Betsy's winds and floodwaters. The estimated total damage in the city of New Orleans and the four adjoining parishes to this vital area of our Nation's fiber probably exceeds \$19 million, and may be near \$20 million.

Of this sum, the public schools in the five parishes alone sustained damages totaling close to \$14 million. Fortunately, there is now sufficient legislation approved by Congress to provide the necessary financial assistance for the reconstruction, repair, and restoration of public school property, and the operations of the public school systems when needed.

But the \$5 million or more in damages to the parochial and private schools in these five parishes (not to mention the damages to private schools and colleges and universities, in all the other parishes and municipalities in south Louisiana) is not covered under existing Federal law. There is presently no avenue of substantial Federal aid for these institutions. This legislation we are considering today provides for extensive small business loans and waives the interest and principal payments on such loans to these schools and colleges.

Some of the leading colleges and universities in the city of New Orleans—Tulane University, Loyola University, Louisiana State University in New Orleans, St. Mary's Dominican College, and Xavier University—suffered damages totaling almost \$1.2 million. Furthermore, the Catholic primary and secondary schools in New Orleans and the four adjoining parishes cited above sustained damages totaling close to \$3 million. Seventeen of the private elementary and secondary schools in my district (and there are more of them) suffered losses totaling close to \$225,000.

As you gentleman know, the existing Federal Disaster Act provides for assistance to areas hit by major natural disasters in the form of personnel, facilities, equipment, Federal property to be donated or loaned, food, drugs, medicines, and other resources. This law enables the National Government to help stricken communities to clear wreckage and debris; to provide temporary housing and emergency shelter, and to make emergency repairs to, and provide temporary replacement of, essential public facilities, such as public buildings, ports, highways, and other forms of communication. Related laws governing various Federal agencies, such as the Small Business Act, the Consolidated Farmers' Home Administration Act, and others provide the means for citizens to obtain loans at 3 percent interest to help rebuild, repair, and restore homes, farms, and small businesses.

As I reported to the House last week, every avenue of assistance and relief under these existing laws is being given. The effective response by President Johnson and the leaders of his relief agencies to bring the maximum aid and relief to the

stricken people of south Louisiana during the past month has been nothing short of remarkable. As I said to the House, this cooperative effort by the Federal, State, and local governments has revealed man's humanity to man.

However, in a major disaster of the magnitude of Hurricane Betsy, the destruction is so widespread, the misery and suffering is so great, the property losses are so extensive that existing law for these stricken citizens and for private schools and colleges is not adequate. This bill moves into those areas where present relief and assistance is inadequate, and provides additional financial help. Not only does it give greater aid to homeowners, farmers, small businessmen, to private schools and to colleges and universities, but also it looks to the future to find improved ways and means to bring more extensive, permanent assistance from the National Government. It does so by calling for a thorough study of alternative ways to provide Federal financial aid to victims of flood and other types of natural disasters, and includes a review of alternative methods of offering Federal disaster insurance, as well as the existing Federal Flood Insurance Act of 1956, which, to date, has never been implemented.

I might say at this point that last week two insurance consultants who were visiting in New Orleans pointed to the principal reasons why there is no insurance today to cover losses from floodwaters. Mr. H. Raymond Strong, of Dallas, president of the Conference of Actuaries in Public Practice; and Mr. Charles K. Leslie, of Houston, noted the following reasons:

1. Hurricane disasters, which invariably bring with them floodwaters, are so localized in certain parts of the Nation, such as the gulf coast region and the east coast area, that premiums would be so high that citizens in areas where hurricanes pose little or no threat would not buy the insurance. Mr. Strong said that the underlying principle of insurance risk coverage is "to spread the loss of the few over the many." (This statement was substantiated a few years earlier by Mr. Robert Weaver, Administrator of the Housing and Home Finance Administration, in response to a query as to why there was no flood insurance available, either from a private insurance company or through the Government. Mr. Weaver noted that the problems of marketing flood insurance policies by private companies would be very severe. He said: "If rates are established scientifically, that is, on the degree of exposure to flood risk, the rates will be so high for those on the flood plains and exposed coastal areas which need protection most, that the policies would generally not be marketable. On the other hand, if the rates were established on a more or less uniform basis, with no variation for flood risk, the program would be faced with 'adverse selections.' That is, insurance would be sold in the flood plains and exposed coastal areas but not in other areas. This would make the insurance uneconomic.")

2. There would be great difficulty in maintaining cash reserves across the good years (minus hurricanes) to cover the losses from the hurricanes which come in cycles.

Mr. Strong and Mr. Leslie said that it would be more feasible for the National Government to subsidize a flood insurance program, than for private insurance companies to assume an almost impossible task. They also noted that the National Association of Insurance Commissioners is carrying out a thorough study of the problems of providing flood insurance.

Thus far, the Congress has not felt that we could afford to implement the existing flood insurance program. However, in my opinion, the disaster to Louisiana from Hurricane Betsy, and the other recent disasters, particularly the floods in the upper Mississippi, the floods in the Northwest and elsewhere this year, have demonstrated beyond doubt that it may be more costly not to have such a Federal program. Certainly this area of insurance merits a thorough study and review, and this legislation before your committee provides for just such a study.

Before closing, I should like to cite for the committee the specific avenues of added assistance and relief to be offered to those citizens who have suffered the ravages of Hurricane Betsy.

For the homeowner: This legislation gives him the option to obtain a "forgiveness" of a small business loan up to a maximum of \$1,800, provided his damage, and thus his loan, exceeds \$500; or to waive the interest for a maximum period of 3 years on the small business loan of not more than \$1,800. This provision applies to uninsured property.

For the farmer: He has the option to obtain a "forgiveness" of a Farmers Home Administration loan up to a maximum of \$1,800, provided his damage, and his loan, exceeds \$500; or to waive the interest for a maximum period of 3 years on an FHA loan of not more than \$1,800, without regard to whether the

required financial assistance is otherwise available from private commercial sources. This provision also applies to uninsured losses.

For parochial and private elementary and secondary schools, and for colleges and universities: They may obtain from the Small Business Administration, without regard to whether they can secure such funds from private sources, extensive loans, without having to pay interest or principal payments for the first 3 years of the term of the loan.

For those citizens living in trailers provided by the General Services Administration as temporary homes: They may buy the trailers at fair and equitable prices.

For citizens in all parts of our Nation: The legislation directs the Secretary of Housing and Urban Development to undertake a thorough study of "alternative programs" to give added financial help to citizens suffering property losses in flood and other natural disasters. This would encompass a study of the methods to provide Federal disaster insurance, including the existing Federal Flood Insurance Act of 1956. The Secretary of Housing and Urban Development shall submit his report and his recommendations to the President within 9 months after funds are appropriated for this purpose, with the exception of a review of earthquake insurance, which must be submitted within 3 years after the money is appropriated.

Mr. Chairman, and members of this committee, this is a most needed and worthy piece of legislation, and I urge you to give it your prompt attention and approval so that the House and the Senate may act on it in this session.

It has been my pleasure to speak with you this morning on this vital legislation, and I thank you for giving me the opportunity to present my thoughts on this bill.

SECTION-BY-SECTION ANALYSIS

The first section of the bill contains a congressional finding that the States of Florida, Mississippi, and Louisiana have experienced extensive property loss as a result of Hurricane Betsy and declares the need for special measures to help these States in the reconstruction and rehabilitation of devastated areas.

The second section authorizes the sale of trailers provided as temporary housing under the Federal Disaster Act to the occupants thereof at prices that are fair and equitable. Under present law, the sale of such property is handled through the usual procedures for the disposal of surplus property. Adequate low-cost housing is often not readily available to the trailer occupants, and this provision would give them an opportunity to be housed without being uprooted.

Section 3 applies to Small Business Administration loans for property loss or damage as a result of Hurricane Betsy to the extent that such loss or damage is not compensated for by insurance or otherwise. At the borrower's option, on that part of any loan in excess of \$500, the SBA would be authorized to cancel up to \$1,800 of the loan, or waive interest due on the loan over a period not to exceed 3 years (but not in excess of \$1,800 worth of interest). Privately owned schools and colleges would be eligible for loans without regard to whether financial assistance is otherwise available from private sources, and interest may be waived and payments of principal deferred for the first 3 years of the loan without limitation as to the total amount of interest waived. Under present law, the SBA has authority to make 3-percent loans under its disaster loan program. However, it normally does not make such loans where financial assistance is otherwise available from other sources on reasonable terms. It also does not as a matter of practice cancel any part of a loan or waive interest.

Section 4 applies to Farmers Home Administration loans and the monetary benefits would be similar to section 3. Section 4 covers loss or damage resulting from flood, high waters, wind-driven water, or uninsurable crop loss to the extent such loss or damage is not compensated for by insurance or otherwise. Under the present law, the Farmers Home Administration makes 3 percent loans.

Section 5 would provide statutory authority for the Housing and Home Finance Administrator to undertake an immediate study of alternative programs to provide financial assistance in disaster situations. The study would include, among the alternatives, flood insurance and earthquake insurance.

Section 6 authorizes the appropriation of \$70 million to carry out this act, to remain available until expended. Since the loan programs of the SBA and the Farmers Home Administration are being operated under existing authority, it is intended that the loan disbursements shall not be charged against the said \$70 million. The loan amounts canceled and the amounts of interest waived shall be charged against the appropriations provided pursuant to this authorization.

Section 7 provides that the authority to sell trailers and the provisions covering the loan program of the SBA and the Farmers Home Administration shall be terminated, except for prior commitments, on January 1, 1967. This period of operation would provide ample time for individuals to obtain the benefits of the act.

Section 8 provides that this act may be cited as the "Southeast Hurricane Disaster Relief Act of 1965."

Mr. BOGGS. Let me say first that all of us who come from the disaster area are tremendously grateful to you, Mr. Chairman.

Mr. JONES. Mr. Boggs, I would like to point out to the members of the committee that there is an explanation of the bill which needs to be circularized before we proceed.

Mr. BOGGS. I would like to thank you, Mr. Chairman, and the other members of the committee, particularly Congressmen Dorn, Gray, Johnson, Roberts, Everett, Kee, Schmidhauser, Howard, and Walker, who gave up a whole weekend to conduct intensive hearings in New Orleans and Baton Rouge and to get a firsthand look at the tremendous amount of damage done by this disaster which struck our State on the mornings of September 9 and 10.

Also, I would like to reiterate what you have said, Mr. Chairman, in connection with the people who have been working on this legislation. Ever since your committee went to Louisiana to do a job, the Government agencies involved—to mention a few of them and I hope that I shall not leave any of them out, but there have been so many of them; the Office of Emergency Planning with particular reference to Governor Ellington and Frank Dryden and Bob Phillips and others, Housing and Home Finance, the Farmers Home Administration, the staff of this committee, particularly Dick Sullivan who sits there, Small Business Administration, the Department of Agriculture generally, and a great many other people and the Bureau of the Budget certainly, last but not least, have devoted a tremendous amount of time to an attempt to perfect this legislation.

It has been a difficult job because the committee has been called upon to legislate under rather unique circumstances. When you went to Louisiana I am sure that you discovered that in the broad areas of public property destruction, public installations, highways, port installations, the problem of debris removal, the supplying of food, medicines, and temporary housing for refugees, that under existing legislation previously enacted under the direction of this committee, the Government had full authority to operate and was operating with dispatch.

All of us are tremendously grateful for what they did.

There were areas where there was desperate need of help and under existing legislation there was no way to help these people. Mainly the question involving homeowners, tenants as well as homeowners, farmers, and private schools both elementary, secondary, and at the college level.

Mr. Chairman, to give you some idea of the extent of damage in these areas, it is estimated that 1,600 homes were completely destroyed in Louisiana, Florida, and Mississippi.

Most of those homes were in the State of Louisiana; 21,500 homes, again most of them being in Louisiana, were severely damaged by the storm. Severely damaged is an understatement. Many of those homes were for all practical purposes completely destroyed.

In addition to that, 140,000 dwellings suffered some degree of damage. More than 400 farm buildings were totally destroyed. More than

1,000 others were damaged very badly. More than 2,000 boats were destroyed and this is a means of livelihood on the part of many of the people in south Louisiana, Florida, and Mississippi. Almost 3,000 small businesses were either demolished or severely damaged by Hurricane Betsy. Today there are more than I think 1,000 people who have requested or are now living in trailers provided by the Government, some 175,000 families have suffered some kind of property loss as a result of this hurricane.

I might say that under the various programs administered by the Government and following immediately upon the declaration of a national disaster on the part of the President after he went to Louisiana, more than 120,000 people have been given emergency relief of some kind, including food and shelter.

This has been done by a great variety of private agencies as well as Government agencies, particularly the Red Cross, Salvation Army, and others.

In our hearings in New Orleans, I supplied for the committee a damage estimate for the area of the second district particularly and the city of New Orleans. The Governor of Louisiana as you may recall testified before the subcommittee there and he estimated that the damage would be in excess of \$1 billion.

The insurance underwriters in the city of New Orleans have estimated their insurable losses will be in excess of \$600 million. It is the largest known insurable loss, I think, in the history of the United States. The Red Cross states it is the largest loss that they have ever experienced with the possible exception of the floods of 1937. So that by every criteria and every standard, the amount of loss, amount of damage, the amount of suffering has been gigantic in its proportions. Because of the fact that these areas not covered are difficult to legislate in, it has not been an easy job to draft legislation. The homeowner needs direct assistance, particularly so many of these people who are very poor people, Mr. Chairman. The farmers particularly in south and southeast Louisiana have suffered a double disaster.

Last year just about this time we had a hurricane of much less intensity called Hurricane Hilda but from the point of view of the cane growers in south Louisiana, it was every bit as devastating as this hurricane. This one coming on the heels of the other one within a period of 11 months has caused irreparable damage to these people.

I hope that the committee will maintain the language which is in the bill before the committee insofar as the farm sections are concerned. There has been a great deal of difficulty about the granting of these FHA loans to the farmers and I know the committee has taken a long look at this.

I do not think that the bill will be particularly expensive and I know that it is desperately needed by the farming community in Louisiana.

The other area involves our educational system in south Louisiana; we have for all practical purposes a dual educational system. About half of our children go to public schools and half of them to go parochial schools and other private schools. If all of a sudden all of the children who go to private and parochial schools were suddenly transferred into the public school facilities it would be literally impossible for the public schools to accommodate them. We have just now enacted, as all of you know, a disaster bill which completely covers the damage sustained

by the public institutions in these areas throughout the country. The bill is general in its application so that this adequately takes care of the \$14 and \$15 million worth of damage suffered by public institutions in the city of New Orleans public schools. But we have a very real problem insofar as our universities and colleges are concerned, Tulane, Loyola, Dominican, Xavier, and the rest of them in our private and parochial schools.

The method involved in this bill in my judgment employing the loan procedure with a forgiveness device for 3 years will be extremely beneficial to these institutions and it follows existing law and does not run into some of the problems that we encountered in church-state relationships.

Mr. JONES. Mr. Boggs, section 3 of the bill that you have discussed does not change the existing law insofar as the applicants are concerned so we are not evolving any new theory or philosophy as far as that section is concerned?

Mr. BOGGS. That is exactly correct.

Mr. Chairman, the members of the committee have a section-by-section analysis of the bill which goes into the specific relief provided for the homeowner, for the man who has suffered damages whether a homeowner or boatowner or whatever he may be, under the terms of the bill for the farmer and for the schools which I have just discussed.

There are several other provisions in the bill which I believe are quite important. One provides for the purchase by the tenants of trailers which have been and which will be made available to these people who have been wiped out by the hurricane. There are many areas where there are no homes at all. Some in my section, some in Congressman Hébert's section, some in Congressman Willis' section.

In Grand Isle we have already provided several hundred trailers for the people to come back to the area. Mind you, here was a section inhabited by 3,500 people and when the hurricane was over there was not a single house in the whole area which was habitable. Not one.

Mr. JONES. I believe the General Services Administration has already procured approximately 1,000 units.

Mr. BOGGS. They have done a magnificent job in helping these people.

Mr. JONES. It is estimated it will take at least 1,200 more?

Mr. BOGGS. Right. What you have done in this job is a very fine approach. Rather than go through the long-drawn-out rigamarole of declaring these trailers surplus—the normal procedure set up by the law—this bill provides for an orderly process whereby the tenants, the people who move in who have already, mind you, been uprooted and whose homes have been destroyed, they are given the opportunity to buy these trailers at a reasonable price.

There is one other provision in this bill which I think is also very important. It comes to this committee by virtue of the broad jurisdiction on disaster matters. As a matter of fact, the other provision has in substantial form already passed the other body, the Senate, and it has been pending before the House. It would be considered under the normal procedures anyway. That is for the full study—and immediately—of the whole problem of disaster insurance.

Mr. JONES. Tomorrow the Subcommittee on Flood Control will commence hearings to examine the pending bills that are before the committee, and, also, Senate bills referred to this committee.

Mr. BOGGS. I think that is a very wise——

Mr. JONES. We will undertake a general study of the entire disaster problem.

Mr. BOGGS. I think that is a very wise step that the committee is taking, Mr. Chairman, because in the last 12 months we have had disasters throughout our country. If you go back a little further, beginning with the Alaska earthquake, we have had a whole series of disasters. The committee has been required to legislate in the Northwest Pacific floods and the other floods in the upper Mississippi and so on.

I think this study is well along.

Mr. JONES. The experience we had in Alaska prompted us to make corrections and to see that this bill will provide immediate relief. If we make the same provisions we did in the Alaska situation I think it will bring about a rather hopeless situation.

Mr. BOGGS. Mr. Chairman, I might say in conclusion that time is of the essence here as you so well know. I know how much time you personally have given to this matter. All of us feel hopefully that we are nearing the end of this session of this Congress which has been a very long one and a hard working one. But I am assured, I think, that if we can act on this proposal in the committee that we have ample time to consider the bill on the floor of the House.

Of course, we have the distinguished leader of the U.S. Senate here, Senator Long, who has been very active in working with us in all of these meetings and drafting this bill. It is really a joint House-Senate bill.

There is one other thing I should like to mention before I conclude.

We have written into the bill a \$70 million limitation. It is my understanding that that limitation applies specifically to the provisions of this emergency bill.

Mr. JONES. That is correct.

Mr. BOGGS. It does not apply to the general authorization for SBA to operate throughout the Nation in other areas of activity.

Mr. JONES. Your understanding is the same as ours. That section of the bill we have had our counsel and others appraise for its legal effect. Every report that we have had is that the \$70 million only provides for that section in this bill. It is not a limitation on the general authority of the existing laws that can be administered separately and apart.

Mr. BOGGS. Thank you very much, Mr. Chairman. I would like to say finally in conclusion that without the help of our National Government under the direction of the President, and without the keen and constant interest of this committee, particularly you, sir, I frankly do not know what we would have done. There are many things that disasters teach one. I said when I returned from the first look at the terrible thing that we had suffered that it demonstrated man's humanity to man rather than the old adage about man's inhumanity to man. I have never seen people work harder, try harder to return to their normal state of life and in this process our State and our people have had tremendous help and we are all very grateful.

Mr. JONES. Thank you very much. Any questions?

Thank you again, Mr. Boggs.

Mr. BOGGS. Thank you, Mr. Chairman.

Mr. JONES. The committee is pleased to receive our leader in the other body, Senator Russell Long.

We are glad to have you, sir.

**STATEMENT OF HON. RUSSELL B. LONG, A U.S. SENATOR FROM
THE STATE OF LOUISIANA**

Senator LONG. Thank you very much, Mr. Chairman. I want to thank you and the members of your committee who came to look to see what our plight was. Those of us who suffer disaster are always quick to be on the scene and offer our assistance any way that we can. Those who have no direct responsibility to that particular district are most appreciative when these people come to see what they can do to be of help to us. We deeply appreciated this as the chairman and members of the committee came to look at the problem firsthand.

Mr. Chairman, your committee has undertaken to find ways to help people who suffered these disasters in this Nation. I would say that with regard to the city where I live, Baton Rouge, La., the legislation that you have supported and which I have supported in years gone by would pretty well take care of our situation.

We suffered about \$50 million worth of damage there, but it was of a nature we could insure ourselves against. The loan programs already available would pretty well take care of what we suffered there at Baton Rouge.

In my hometown, for example, we had damage to the extent of \$15,000. The insurance company was most generous in making settlement with us and we have no complaint. The existing legislation that you have enacted would take care of the type disaster which hit Baton Rouge, which was the worst hurricane damage that city ever had. We were right in the heart of Hurricane Hilda last year in these areas that you observed south of us in New Orleans and the area south of New Orleans, even more so, Grand Isle, La.

In some of those areas what those people had was completely destroyed on a broad front almost 100 miles across. In New Orleans they suffered a type damage that is not insurable. That is because the tidal surge pushed by winds of 120 to 145 miles simply topped all those levees which were not the Mississippi levees. Those were to protect from waters on the lakes and the storms that might be pushed up by a hurricane. But they never had one in history of this magnitude. This was the heaviest wind and the highest tidal surge they ever had in history. The surge topped some of those levees to protect the city from the rear. Not from the river but the gulf and from Lake Borne and Lake Pontchartrain. Those levees gave way in these areas which were regarded well protected against floods.

Flooding is not insurable. This caused a substantial, heavy loss of life and about 7,200 homes were lost there alone. To the area south of there, Grand Isle, Pointe a la Hache, Port Sulphur, the tidal surge plus the winds simply destroyed everything that was there. We had something similar to this when Hurricane Audrey hit the coast of west Louisiana around Cameron Parish. Fortunately, the Red Cross was able to come in with some help in addition to what the Federal Government could do, which in a relative sense would do more than this bill plus what the existing law would do.

It would accomplish this for the areas that were hit by this hurricane. This, as Congressman Boggs mentioned, is the largest insured

loss in the history of the Nation. We do not want to do anything that would hurt private enterprise. As far as the insurance companies are concerned, we do not want to put them out of business and we do not want the Federal Government to do anything for us to put the insurance companies out of business. What they say is that if we give them any more business of this sort, one more experience of this sort and they are out of business just from taking commercial insured losses.

So we are not trying to ask for any help where they would insure us. But what we hope that you can help us with here is the type disaster that is uninsurable. We will be paying for this disaster for the next 30 years.

I might give one small example that does not meet the eye. As you noted as you drove from New Orleans to Baton Rouge by automobile, there was not a single telephone pole standing up. They were all at 30-degree angles, leaning over. The same thing would be true up to the Gulf of Mexico all the way up 100 miles. No telephone poles left standing. No power lines left up. They all had to be put back up.

Mr. JONES. Somebody reported to us that that was in excess of \$12 million.

Senator LONG. Yes, sir. The same thing is true of the Gulf States. The same thing is true of Louisiana Power & Light. The same thing is true of New Orleans Public Service. All of this has to be put back up. They will put this in their rates. We will be paying for that for 30 years to come. We are tickled to pay for it and happy that they did not go bankrupt trying to get back in business so they can charge us these rates.

As far as the ordinary losses are concerned, we are content to go ahead and take care of it. These things where people could not protect themselves, could not insure against it and, in some instances, where we have flood control projects authorized which, had we been able to complete them, would have saved these people from this disaster; we would hope that some help could be made available.

From my estimate we suffered perhaps \$2 billion in damages. The limit on this bill would be about \$70 million and we would hope that this bill is tailored to take care of those cases of crying need where people are just not able to handle it themselves. I would like to suggest one amendment to the bill that we have introduced on the Senate side. We introduced a companion bill parallel to this with the six of us cosponsoring the bill on that side. In that way we would hope that would settle it in a measure and that would not increase the overall costs of the bill at all. That would stay at the same dollar limitation.

It would not cost any more but I think it would be better for the poor man who, in some instances, has been wiped out. What I would like to suggest is this: That instead of having a loan forgiveness of \$1,800 as section 3 would provide, that we reduce that from \$1,800 to \$1,500, thereby saving a substantial amount on these forgiveness features. Offset that by striking out this loan forgiveness deductible of \$500.

What I would suggest would be this: That the Federal Government should not make a loan for the entire amount of the damage and this forgiveness feature would not be forgiveness to make a man

entirely whole; that this be somewhat conservative in this matter. If a person only lost his clothes, or a few pieces of furniture, that you say that is something the Red Cross could handle. That is something the State and local levels could handle.

With regard to some little fellow who was completely wiped out, maybe he did not even own a home, maybe a little shack there he did not own himself, all he had was a bedstead and a few pieces of furniture and some clothes, if what he and his family possessed amounted to about \$700 and we paid him a \$500 loan I would hope we would forgive him that loan. Otherwise it would put us in an anomalous position.

If some fellow had a \$2,300 loss he would be forgiven \$1,800 of a \$2,300 loss while here some poor man who lost all he had, it might have been just \$500 but he lost it all, he would not benefit from this loan forgiveness. The bill has been tailored very carefully to try to see to it that the poor man who was the hardest hit, relatively speaking, and had the least resources with which to make it back, would receive the greatest benefit.

I understand the philosophy of the Bureau of the Budget in urging that there should be this \$500 deductible feature. I would hope that the deductible be simply to the extent a person takes the loss on the chin for the \$200 and that we not make it just \$300.

Mr. JONES. Are you suggesting the \$500 be reduced to \$300 that you have withdrawn from the \$1,800?

Senator LONG. Well, even to that extent it would be good, Mr. Chairman. I think that it would be better to simply strike the \$500 and tell the SBA that in making these loans they could easily enough put the regulation into effect. Just reduce whatever loan they had in mind and make it \$200. So that insofar as the loan would be concerned if you made a loan to some fellow who had a \$500 application you would make him a \$300 loan and forgive that loan instead of spending 30 years collecting that \$300.

I think it would be a lot better off with these small loans; people who have very little in life anyway, to simply forgive that small amount rather than try to pursue those people for the next 30 years to collect that \$300.

Mr. JONES. I do not believe that the SBA could have the authority to relieve any amount unless it is provided for in the act.

Senator LONG. They could recommend a loan, Mr. Chairman, of whatever amount they think they ought to loan. If they do not have the authority, you could put it in this bill if you care to do so. Say they simply would not loan a man any money for the first \$200 that he lost. By that amount you would save \$200 on the low rate of what you would loan. You would save \$300 on the up rate. I have looked at the breakdowns on these loans.

There are only about 74 loan applications right now for \$500. That is so the Bureau of the Budget is just not justified in feeling that they are going to have a great number of applications for small loans. That does not add up to too much. Then as between loans of \$500 and \$1,000, loan applications, only 244.

Where you find most of your loan applications, they are starting at \$1,000 and going above that. You have between \$1,000 and \$2,500, 2,474 applications. Then \$2,500 and over, you have these 2,516 applications. You have shaped your bill so it is calculated, and

aimed to try to help the little fellow and give him a better break than a man who had substantial property and presumably would be in better shape to cushion the loan.

The sort of fellow you are going to have difficulty collecting the money from is the little fellow with nothing. He is not tied to any fixed location. I think you would do better in that instance to just forgive that small loan.

Mr. JONES. Would you suggest the same figures for section 3 and 4.

Senator LONG. Yes. I would reduce them the same way. You would have a \$1,500 forgiveness instead of \$1,800 and strike the \$500 deductible. By doing this, you would help more people. You would spread your money a little further and help the poor man even more.

Mr. JONES. The experience we had in Alaska was trying to get to the homeowner. Here we are trying to protect the homeowner and save us the mistake we made in the Alaska bill.

Mr. BALDWIN. I can see a valid point the Senator is making, if one person makes application for \$500 and does not get any relief, but the person who makes application for \$1,000 gets half that canceled, there is an inequity.

I can also see the question raised by the Bureau of the Budget if we allow the first \$500 to be canceled out we might then be deluged with applications up to that amount.

Suppose we put in some kind of an alternate provision that says on loan applications of this type, 80 percent could be canceled but not to exceed \$1,500. Then everyone who applied would have to bear at least a portion, but it would be equitable, one to the other. The man who borrowed \$500 would have to pay up \$100, but the other \$400 would be canceled. In that way, everyone would share. We would have a maximum limit of say \$1,500 to keep this under control from a financial commitment standpoint.

Senator LONG. I think that would be most of the small loans. You have so few of them. That is contrary to the Bureau of the Budget's estimate. You have only 75 applications for these \$500 loans.

Mr. BALDWIN. Up to this point they know they have to repay. If we pass this bill, they then may be deluged with applications for small loans.

Senator LONG. I can see they are concerned about that. I do not think they ought to make a loan if a person has suffered no more than a small loss of perhaps \$200, or something of that sort. They should see to it this person did suffer the loss.

You see, Mr. Baldwin—I believe I am correct in this guess—these people who are applying for loans of \$500 and \$600 are people who do not even own a home. They have lost their furniture. They have lost their clothes and possessions. The Red Cross comes in and helps those people by giving them a little money to put some clothes on their back. Some of these people came out with only their clothes on their back, and some came out with only pajamas. The Red Cross goes in there and says: "We will give you something to get started with." If we say we can justify a loan of \$300 or \$400, what we are doing is doing something the Red Cross could not do. The Red Cross could do this in Hurricane Audrey. There you had only about 3,000 or 4,000 families involved. In this situation where you had to evacuate 35,000 to 45,000 people, and 25,000 of them have no homes to go back to, the loss is so much greater, and for those loans we would be much better off.

Your cost-sharing feature has appeal. I think we would be better off if we were conservative in the first instance and in the small amounts forgive those rather than pursue the people for the next 30 years.

Based on the existing pattern of loan applications, you would be totally forgiving about one-third of those loans that are made. That would be for the small amounts. Those would be the cases where the people did not have much to lose because they were in poor circumstances to begin with. That is a place where I think the bill could be improved, and I would hope that the committee and the Bureau of the Budget could go along on that. I feel confident that would not keep the President from signing the bill, if we could get it through on that basis.

Mr. JONES. Are there further questions of Senator Long?

Thank you very much.

Senator LONG. Thank you very much. I appreciate the consideration of your committee.

Mr. JONES. Next will be our friend who has given constant attention to this problem and has been most helpful to the committee, our colleague, Mr. Hébert.

STATEMENT OF HON. F. EDWARD HÉBERT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF LOUISIANA

Mr. HÉBERT. Thank you very much, Mr. Chairman.

I am Edward Hébert, representing the First Congressional District of Louisiana.

Mr. Chairman, I think the best way I can express myself in appreciation of what this committee has done is merely to associate myself with what has already been said and the tribute already paid to it by my colleagues who have preceded me here on the stand.

I believe the effective, instant, and immediate reaction of yourself personally and the members of the committee is something that the people of my section of the country shall never forget. I shall not dwell on the subject because any words would be like trying to "gild the lily."

I think Louisiana, in this particular instance, is very fortunate to have the majority whip of both the House and the Senate at this particular moment. Undoubtedly, their influence and activities contributed very much to bringing this matter to the attention of the committee and to the attention of the House. In particular, I want to pay tribute to my colleague from New Orleans, Congressman Hale Boggs, for his work on this subject. He has never let up since he began. Certainly he has reflected the energy and determination of his own colleagues in doing the magnificent work he has done.

I shall not repeat what has been said, but I want to emphasize something that I think is one of the most important situations confronting us today. I want to compliment your committee for the full realization that you have come to grips with this problem now in this legislation that should have been faced a long time ago. This type of legislation is long overdue.

I address myself particularly to the effort now being made to assist the individual victim of this particular disaster. Of course, perhaps we do not realize what death is until it strikes on our own

home and family. Perhaps we are lackadaisical and apathetic about misery in other homes. But this has been brought to our immediate attention. It is not something of our own sorrow, or misery, this belongs to other sections of the country. Immediately following Hurricane Betsy, and when the people in my area had a feeling that the Government was going to come in and give them immediate individual assistance, it was not a very pleasant thing for me to bring the facts of life to their attention. I thought in all honesty and reality I should so inform them that under the existing law there was no direct relief to any individual involved in that particular disaster and holocaust.

The hurricane occurred more than a month ago. Here we are sitting today hearing a bill which reflects exactly the fact that under existing law there is no immediate relief for individuals. I think this is the most important feature of this particular piece of legislation. I think it important section 5 of your bill provides for a continuing study of this proposition and a recommendation to the President for the President in his wisdom to recommend to the Congress. I think this is important far beyond any immediate consideration, because disasters are going to happen in the future.

We are going to have earthquakes, we are going to have floods, we are going to have hurricanes. I think we owe it to the people of this Nation, not only in my section of the country, but any future disaster victim, to let him know immediately upon the striking of that disaster exactly what he can expect from his Government.

This is what the legislation does for 1 year, but in the study ahead it then provides, I think, the permanent legislation which will be forthcoming. The efficiency of such legislation, I think, is reflected in how much was accomplished under existing law.

I do not think anyone will deny that the people of this particular disaster area could not have recovered without the machinery of the Government set into immediate operation under existing law. But that existing law does not go far enough. I am hopeful that this legislation is passed and it is followed through that any future victim will know immediately and will know in the future the extent to which the Government will compensate.

I think it is the Government's duty. I think it is the Government's responsibility. I have in mind right now flood insurance.

This committee knows well there is now a law on the books granting flood insurance, but it has never been implemented, so what good is it? The implementation is not there. It is to this we should address ourselves, and I respectfully submit the committee address itself to following through so a year from now we do not have to come back to have emergency legislation; a year from now we will have positive and definitive legislation that will be applicable to all future disasters.

Mr. JONES. This committee was not the authority of the 1956 act to which you refer. This committee did not handle that legislation.

Mr. HÉBERT. I recognize that, sir. I think that was brought out in our New Orleans hearings when I was trying to find out which area the committee would go in. You have been very positive from the very beginning in your conversations with me relating to the flood insurance feature. I am merely bringing this into the overall picture and the panoramic picture we are discussing. I agree with Senator Long that private insurance companies cannot stand this. We know that.

Certainly, if we can subsidize builders, if we can subsidize other people in this country—and I am not one who advocates subsidy—if we can assist them in some manner, shape, or form to have a working agreement, I think we should go toward that end.

Whether this committee has that power or jurisdiction is something not of the moment in presenting the overall problem. This is something that I think the Congress should take cognizance of and develop on a permanent basis. These people down in this area do not know yet what they are going to get. They are exposed to the problems of the moment. They are exposed to conditions over which they have no control politically.

This should not be. The day after Hurricane Betsy struck, these individuals should have known.

As my colleague from the Senate side said regarding the individual person, they should know next day what would be available to them. It was most distasteful to me to have to say personally the Government was not going to pick up any check under existing law.

We are here now to remedy that. But do not let's remedy it on a piecemeal, temporary emergency basis. Let us remedy on that basis, but project our thinking and our action to a permanent basis for the future.

I thank you very much.

Mr. JONES. Tomorrow the subcommittee will take up a general examination of the entire problem.

Mr. HÉBERT. That is what I was stressing. You are going in the right direction. This to my mind is the most realistic approach that has been taken in the wake of the disasters that have occurred. It is something you and your committee have indicated now you will follow through on to complete fruition. This is exactly the thing to be done.

Perhaps I overemphasize and overexpress and overunderline but this is important; in the future the individual will know immediately upon the striking of a disaster what he can expect of his Government and not have false hopes raised.

Mr. JONES. Thank you very much.

Mr. Morrison's statement will be received and printed in the record at this point along with Senator Ellender's.

(The prepared statements follow:)

STATEMENT OF HON. JAMES H. MORRISON, A MEMBER OF CONGRESS FROM
LOUISIANA

Mr. Chairman, I deeply appreciate the opportunity of presenting a statement before the committee today in support of legislation which we deem absolutely essential for the well-being of those who were so hard hit by Hurricane Betsy. I would like to commend the members of this committee who worked so hard in helping draft this legislation after their visit to Louisiana last month as well as my fellow Members from Louisiana who have joined together as one to see that the entire resources of the Federal Government were marshaled to provide necessary relief in the aftermath of disaster.

Those of us who witnessed firsthand the havoc wreaked by Hurricane Betsy will never forget the spectacle. The statistics presented here today reflect but do not adequately describe the human misery and the crushed hopes experienced by thousands upon thousands of families in the areas where the hurricane struck. We have done a great deal under existing law to alleviate suffering and to aid many people to get back on their feet for a fresh start. However, authority under present legislation is not enough. We must make special provision in cases such as Hurricane Betsy where loss of life and property are so astronomical as to make ordinary relief procedures woefully inadequate.

The bill which we are discussing today would provide a large measure of relief for those hit by hurricane floodwaters. It is a bill which has been designed to augment the programs already in existence which are now helping those in Florida, Mississippi, and Louisiana. I know that the Congress of the United States as a body will show its compassion and wisdom in voting for this measure, and I would like to thank all of those both on the Hill and in the various agencies involved in disaster relief for their untiring work in drafting the provisions of this measure.

Therefore, Mr. Chairman, I would like to urge that this measure be speedily acted upon so that the provisions contained in it can be put into effect as soon as possible. I would also like to add that I heartily approve of plans for a more general disaster program which will be considered before this committee tomorrow and Friday. I will certainly join hands with all of those who wish to see that the victims of all disasters can look forward to aid and comfort from their Government.

STATEMENT BY SENATOR ALLEN J. ELLENDER OF LOUISIANA

I am most gratified at this opportunity to appear before the Committee on Public Works in support of H.R. 11539, a bill to provide assistance to the States of Florida, Louisiana, and Mississippi for the reconstruction of areas damaged by Hurricane Betsy. It means a great deal to me, and to the citizens of three hard-hit States, that the Congress is moving so quickly to provide tangible disaster relief of a long-range nature. This legislation, when enacted, will help heal some of the scars left in the hurricane's wake. It will be of immediate yet lasting assistance in providing viable solutions to the thousands of personal crises which are now besetting so many of our citizens.

This has been a difficult year for our Nation. Floods have wrecked the far Northwest, and the upper Mississippi Valley has been deluged with torrents from Minnesota southward. Drought is silently stalking the Northeast, and becomes more threatening every day. Finally, the wind and water of Hurricane Betsy have ravaged our southern and southeastern coastline in an unprecedented fashion.

In each case, we have seen the Congress and the executive branch move into action to repair past damage and meet the present and future threats. Emergency relief has already been provided by the Congress to repair and rebuild those areas struck so severely by the Northwestern floods several months ago. Steps are presently being undertaken to meet the challenging period of drought which threatens our Northeastern cities and industries. Out of the upper Mississippi floods has come disaster relief legislation of a substantial, inclusive and far-reaching nature. I supported that legislation in the Senate, for I was pleased to note that its provisions were aimed at providing lasting relief not only to the upper Mississippi region, but to all areas of the Nation which might experience similar disasters in the future. I would like to take this opportunity to reiterate my support of S. 1861, and express my appreciation to the Committee on Public Works for scheduling 2 days of hearings on this important legislation following the consideration of H.R. 11539.

On September 24, Congressman Bob Jones, chairman of the Flood Control Subcommittee of the Committee on Public Works, led the members of his subcommittee and members of the Louisiana congressional delegation on a tour of the hardest hit areas of New Orleans and Baton Rouge. Two hearings were held, one in New Orleans and one in our State capital, in order to allow the members of the subcommittee to gain firsthand knowledge of the situation. As it happened, I was deeply involved in important conferences with Members of the Senate and House of Representatives in attempting to reach agreement on the omnibus farm bill of 1965, and I was unable to accompany the subcommittee on its visit to the stricken areas of my State. Needless to say, I was in full agreement with its objectives and on the Senate floor I saluted Congressman Jones and the subcommittee members for their show of concern and their efforts in our behalf. I predicted at the time that their concern and efforts would mean a great deal to our people in Louisiana, and to the rest of the Nation as well.

The legislation now under consideration by the Committee on Public Works indicates how truthfully I spoke. In section 2 of H.R. 11539, it is provided that Government-supplied trailers being used as temporary housing by homeless families may be sold directly to the occupants at fair and reasonable prices. There is no way to estimate what this will mean to the many, many families who were left, literally, without a roof over their heads, a floor to stand upon, or a wall to

lean against. Only the homeless can know what it is to be without a home. The inclusion of such a provision indicates a high and commendable degree of humanitarian concern.

My office here in Washington has been deluged with requests that some form of aid be given to the recipients of Small Business Administration and other loans who suddenly find themselves without hope of payment on schedule. Until now, there was not a great deal I could say in response to these requests. I am happy to see that section 3 of this legislation supplies an answer in the form of a "forgiveness clause" which the borrower may use to cancel up to \$1,800 of the loan, or waive the interest due on such loan in a total amount of not more than \$1,800 over a period not to exceed 3 years. Here, again, the Congress is moving to fill a great need and solve a pressing problem. In this manner, we shall use a very small portion of the financial resources of the Nation to counteract the destructive forces of nature.

The same statement applies to similar language contained in section 4 of the bill, and directed at loans made by the Farmers Home Administration. With this provision, our farmers, who were among the hardest hit of the hurricane's victims—as farmers usually are—will be able to survive to plant their crops in future years.

Finally, the legislation under consideration contains language very similar to that contained in a bill, sponsored in the Senate by Senator Long, myself, and Senators Eastland, Stennis, Holland, and Smathers, to extend aid to privately owned schools and colleges hit by the disaster. There were many such in Louisiana both small and large, and I am sure a great deal more in my area were affected than in any State covered by this legislation. However, it will no doubt prove of great value, not only to Louisiana, but to the other States as well.

In conclusion, let me express once again my appreciation to the Public Works Committee for its prompt action to meet this need and set right what Hurricane Betsy has set awry. The committee has shown a commendable interest from the beginning. It is responses such as these which will allow so many of our people along the gulf coast, in the far Northwest, in the Upper Mississippi Valley, and in the Northeast, to be assured that their democracy is indeed a working democracy with the interests of the people at heart.

Mr. JONES. We will hear from one of our colleagues, Congressman Edwin Willis.

STATEMENT OF HON. EDWIN E. WILLIS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF LOUISIANA

Mr. WILLIS. Thank you, Mr. Chairman. I hope to abide by the 5-minute rule of the House.

I am glad to be here. We all appreciate you and your colleagues coming to Louisiana, and I simply join in the remarks previously made in that connection.

We appreciate also your monumental task in trying to frame a bill to afford help in connection with Hurricane Betsy. Frankly, with respect to Hurricane Hilda, we suffered two losses in the last 2 years.

Now, I think this bill is fine. I am for it, or I would not have introduced it. I think it is a wonderful approach to a serious problem and it is an emergency problem.

Mr. JONES. I would like to point out to you we have had the total cooperation and assistance from the minority members of this committee.

Mr. Cramer has sat with us from time to time. We have made changes in the bill we think will strengthen it and give it better administrative possibilities.

Mr. WILLIS. I am grateful for that.

As a matter of fact, I see the former leader on the other side of the aisle, Charlie Halleck here. I talked to Mr. Cramer here.

Mr. HALLECK. Off the record.

(Off the record.)

Mr. WILLIS. Mr. Chairman, I am glad, I am delighted, I am gleeful that everyone in the bill who is being assisted will receive that assistance, and that includes home and property owners and business people and everyone else. Many of all of these types have suffered damage in my congressional district.

I must say in all honesty that I am, if it is possible to be, even more interested in the farmers than in the others. I have just read section 4 of the bill which is the section dealing with farmers. I can only say this, that that section of the law will be administered in such a way to make loans to farmers and keep them in business. That is my great hope.

In that connection, I am very pleased to see at the end of section 4 on page 3 of the discussion of the bill these words referring to loans in this area and that these loans will be made "without regard to whether the required financial assistance is otherwise available from private sources."

Let me tell you why: It is a question of administration on the one hand and a question of law on the other.

Under the Small Business Administration Act, whether or not outside or private financial arrangements can be made, is a matter for the Administrator to decide. I would not want to change it. I would not want to say that the Federal Government under the Small Business Administration shall not through the Administrator try to devise a system to extend loans only in such cases, otherwise the Government would be getting in the banking business.

But under the farm laws, under the provisions of the Farmers Home Administration Act, it is written in the law that these loans cannot be made without regard to outside availability under the discretion, at least, of the administrator of that law. That is why I am so pleased to see that sentence in there. I hope it will stay in there.

Finally, I reiterate, I hope that the bill will be administered in such a way as to keep the farmers in business. I have some ideas about possible conforming language, to conform section 4, which is the farmers' section, and section 3, which is the Small Business Administration section. It is technical, but with your permission I would like to discuss it with your counsel and you.

Thank you very much for the privilege of being with you.

Mr. CRAMER. I will just say to my colleague, who was my chairman in the subcommittee for a number of years, I appreciate his testimony.

I would like to say, regarding what Mr. Hébert said, we have all been looking for a permanent solution to this problem. This year this committee has been very active in these different disaster areas. It is my hope that general legislation can be given consideration.

Further, as an observation, everyone should be treated on the same basis where a national disaster is involved.

Mr. WILLIS. I am very glad that the committee, this committee, or a subcommittee of this committee, will be looking into the general problem. Let us not stop our work on this bill in the meantime.

Mr. CRAMER. I am sure the gentleman realizes that this approach brings the needed treatment for these persons who have suffered substantial damage under the framework of existing programs and exist-

ing laws, amending those programs so we can use the same administrative agencies and not get involved in getting into new programs.

Do you think that is a sound approach?

Mr. WILLIS. I agree.

Mr. BALDWIN. Mr. Willis, I take it from your remarks dealing with section 4, do you interpret section 4 to authorize the making of these loans regardless of whether the required financial assistance is available from other sources?

Mr. WILLIS. That is what the concluding sentence says.

Mr. BALDWIN. I am not so sure. The concluding sentence in section 3 is clear, dealing with the colleges and universities, because the concluding sentence says—

and may lend to a privately owned school, college, or university without regard to whether the required financial assistance is otherwise available from private sources.

This concluding sentence—

waive interest due on the loan in a total amount of not more than \$1,800 over a period not to exceed three years without regard to whether the required financial assistance is otherwise available from private sources.

I think all this does is give the agency the power to waive interest on a loan and the loan has been made under existing law. I feel that to do what you think should be done, we should put a period after "not to exceed three years" and say such loans should be made without regard to whether the required financial assistance is otherwise available from the private source.

Mr. WILLIS. I did not want to go into details, but this is one of the very points I had in mind I would like to discuss. I did say to conform the language of section 4 to section 3. We may be faced with a situation, and it would not look too good, as between the farmers and the business people. It would not look too good to have a provision relative to farmers which would say in effect, or mean in effect, "if under the present law you can get a loan to keep in business, we will waive something."

Mr. BALDWIN. That is what I think this language says.

Mr. WILLIS. Without saying, wait, we will make the loans. Between you and me, between the two, I would almost bargain for the first rather than the second so far as the farmers are concerned.

I am for all, the homeowners and the property owners and the trailer owners. I would not want to see a situation where we tell the farmers we will waive something; we will forgive something if you can get it in the present law, but we will tell you in advance under the present law you cannot get it.

Mr. BALDWIN. That is what I think it now says.

Mr. WILLIS. That is what I would like to talk about.

Mr. JONES. Any further questions?

That is a matter we will consider in the executive session.

Mr. MCCARTHY. I am from the North. It seems to me, if you could refresh my memory, last fall there were certain personages going around the South wailing against "Big Daddyism" and the welfare state and generally charging that the Federal Government is a rather vast, impersonal establishment that really is at odds with the interests of the individual citizen. I would hope if we can pass this, and I am hopeful we can, and I support it, that perhaps some of these ideas might be dispelled to demonstrate the fact this establishment is really

composed of a lot of human beings who really do care about the individual citizen and when the need arises we can act quickly to help those in distress.

Mr. WILLIS. I agree with you.

As a matter of fact, I said the day after the hurricane I was pleased that Government agencies, from the President on down, were demonstrating this was a Government with a big heart, as well as a Government with a big punch.

As to political philosophies, if you are referring to one as against the other, I try to follow the middle of the road. If some people want to get in the right ditch, or the left ditch, that is their business.

Mr. JONES. We understand you are in the forks of the tree.

Mr. WILLIS. And a Democrat and proud of it.

Mr. EVERETT. Is it not true we pay taxes down South like they do in the North?

Mr. WILLIS. Yes. I have heard that.

Mr. JONES. Also, with us this morning is our very valuable colleague, Mr. Waggonner. He represents the northern tier of counties affected by the hurricane.

Mr. CRAMER. May I comment on what the gentleman from New York had to say.

Disaster relief is an accepted Federal responsibility and has been for years. I know of no partisan difference relating to a proper Federal responsibility for disaster relief. There never has been. There is certainly no partisanship in this bill. There was no partisanship in the Northwest. I trust there will be no partisanship in what we do next year. So far as I am concerned, there is no partisanship and no territorial delineation. When nature strikes, it hurts everyone, whether Democrats or Republicans. That is my attitude about this. I think that is the attitude of all Americans.

For instance, Florida had damages in the amount of \$119,250,000. It struck in Alabama, Mississippi, and Louisiana. It is likely to strike any place any time. As far as I am concerned, Democrat or Republican, we have a responsibility to be aware of that to provide proper and equal treatment in the area where it is a proper Federal responsibility. We have always reacted accordingly.

Mr. McCARTHY. Let me correct a misimpression if it was created.

I was not alluding to any party. Individuals of both parties have made the allegation that the Federal Government is a rather vast and impersonal bureaucracy that does not care. I think this is a very graphic demonstration that we are all a bunch of human beings who really do care about the plight of the individual. I think it dispels that notion which was advocated by members of both parties.

I was not trying to be partisan. I was talking about a point of view that is prevalent in some parts of our country.

Mr. CRAMER. I am glad to get that clarification from the gentleman.

Mr. JONES. Mr. Waggonner.

STATEMENT OF HON. JOE D. WAGGONNER, JR., A REPRESENTATIVE IN CONGRESS FROM THE STATE OF LOUISIANA

Mr. WAGGONNER. I would ask your permission that Congressman Speedy Long of the Eighth Congressional District of Louisiana be permitted to make a statement for the record.

Mr. JONES. All Members who would like to submit statements may do so and they will be received and printed in the appropriate place in the record.

(Prepared statement of Congressman Long follows:)

STATEMENT OF SPEEDY O. LONG, MEMBER OF CONGRESS, EIGHTH DISTRICT
OF LOUISIANA

Mr. Chairman, I would like to express to you and the members of this committee my sincere thanks and appreciation for the positive action that you are taking to establish legislation that will aid reconstruction of areas damaged by Hurricane Betsy.

Relief legislation is the only avenue available to a great number of people in my State and district. Much of the loss sustained was uninsurable and unsalvageable. A large number of persons are homeless, and many are without resources of any kind to provide themselves with the necessities of life.

Your committee was kind enough to hold public hearings in New Orleans and Baton Rouge, La., at which time testimony was taken from congressional, State, and local officials as to the extent of damage and the need for disaster relief in our State. It would be repetition to again elaborate on the damage.

Disasters are frequent and uncontrollable and as such operate to the detriment of any area or community of people. Thus, I believe it to be the duty and responsibility of the Congress to provide legislation designed to promote the general welfare of the people of the United States. The extent of damage from Hurricane Betsy sustains the idea that individuals cannot alone shoulder the financial loss from natural disaster. This is where Government responsibility begins and as Representatives of our respective districts, it is our duty to initiate appropriate legislation for the national purpose of aiding disaster areas.

I would like to see one additional provision placed in the bill to be reported by this committee that would, in effect, provide that the Farmers Home Administration be given specific authority to administer a disaster loan program to farmers under the same or similar terms and conditions now available to others under the Small Business Administration disaster loan program. Farmers need and fully deserve the same credit terms and security conditions offered to those who receive loans from the Small Business Administration under its disaster loan program. Almost without exception farmers have current year crop mortgages; plus chattel mortgages on machinery, equipment, and livestock; in addition to home and real estate mortgages. Because of hurricane damage to crops, most farmers are unable to meet crop mortgages and capital is needed for crop harvesting. The Farmers Home Administration will lend on first and second security but only for repayment from the current year crop, and, providing other lending institutions will not make the loan. The farmer's margin of profit is small to say the least and he simply cannot repay from current year proceeds. He would, however, be able to repay over a period of perhaps 3 to 7 years. Under existing law, crop loans are to be repaid from current crop year proceeds and this seems grossly inequitable when compared to loans to others in time of disaster. I urge the committee to extend careful consideration to this proposal for aiding farmers and that it be fully explored and written into the bill.

I strongly urge the committee to report for this session of Congress a bill that will provide needed assistance in times of disaster. I would like to endorse the comments made at these hearings by other Members of the Louisiana congressional delegation in support of legislation now under consideration.

Thank you.

Mr. WAGGONER. He is unable to be here. He is in Vietnam with his Armed Services Committee chairman.

Mr. Chairman and members of the committee, I would like, first of all, to thank you for having visited Louisiana after Hurricane Betsy passed over the State last month. Your arrival and your meeting with State officials to survey the damage of this disaster was shored up and we all appreciate it.

We appreciate, too, the extra effort the committee has made and is making today with these hearings to see what legislation can be enacted to provide the unfortunate victims of the hurricane some relief. These acts of compassion on the part of the Federal Government are not going unnoticed, I can assure you.

Because you have seen firsthand a portion of the hurricane damage and because you are familiar with the bill before you, the Southeast Hurricane Disaster Act of 1965, and because of the limited time available to you to consider and act upon it, I will not take up your time with a discourse on the bill itself. I know you will tailor it to fit the need as you see it.

Families in every walk of life, of every color and creed, have suffered as a result of this natural disaster. Life savings have been destroyed, many have suffered in a fashion and to a degree that recovery will be impossible without assistance from the Federal Government. The damages involved here are many times the total amount authorized in this bill, but this bill represents the difference to many of survival and self-sufficiency.

I believe we of the Federal Government can do no less than extend the helping hand of the Nation's resources to those in Louisiana, Florida, and Mississippi who have suffered so much as a result of Hurricane Betsy. I am not advocating putting insurance companies out of business.

I urge your sympathetic consideration of this measure and extend my thanks to you in advance for whatever help you can give these unfortunate people. It is my hope that this matter can be expedited before adjournment this year.

Mr. JONES. Thank you very much.

Are there any questions?

Mr. GRAY. I have no questions.

I want to commend the gentleman for his statement. As one who has been to Louisiana, I want to commend the entire congressional delegation for the very intelligent and forthright manner in which they have presented testimony to this committee, which I think has been very helpful in writing this piece of legislation.

I am sure it will be of tremendous help in the hearings that are starting tomorrow to try to cope with this serious problem of meeting disasters, whether they be tornadoes, earthquakes, or whatever they may be.

I want to commend the entire delegation and those from the executive agencies for their very fine help.

Mr. JONES. We will now hear from Congressman Pepper of Florida.

STATEMENT OF HON. CLAUDE PEPPER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

Mr. PEPPER. Mr. Chairman, I have today introduced H.R. 11580 to provide for the relief of the many who suffered at the hand of Hurricane Betsy which carved a path of destruction across southern Florida, and again into the littoral areas of Louisiana and Mississippi. Damage has been estimated at upwards of \$100 million in Florida and of \$1 billion in Louisiana and adjoining portions of Mississippi.

Very little of this damage was covered by insurance of any type whatever.

Despite the best efforts of the State and Federal Governments under the provisions of Public Law 875 there remain a great number of communities which remain dormant. They have not recovered from Betsy's blow and prospects are extremely dim for many thousands of individuals.

Many trailers were brought in for temporary housing as the local construction industry itself suffered considerable destruction and would be unable for a considerable length of time to replace or repair damaged or destroyed homes throughout the three States. For this reason H.R. 11580 would authorize the immediate sale of these trailers to the present occupants at a fair and reasonable price. Otherwise there would be the threat that they would be withdrawn leaving their present occupants entirely without shelter.

Major sufferers in any natural disaster are small businesses. Such is the case in Louisiana, Mississippi, and Florida. Small businessmen who have had their business destroyed or damaged to such an extent they cannot operate in many instances are already borrowers from the Small Business Administration. H.R. 11580 would authorize the Small Business Administration to, at the option of the borrower, on any part of the loan in excess of \$500, cancel up to \$1,800 of the face of the loan or to waive interest up to the same amount over a period of up to 3 years. This I am sure would enable hundreds of small businesses which are essential to the areas in which they are located to resume operations. It would act to furnish employment once again to the hundreds, perhaps thousands whom they formerly employed. Their essential services are badly needed, especially in the smaller communities.

The parochial and small private educational institutions throughout the three States were not immune to the destructive forces of Betsy. They do not have access to financial resources under terms of Public Law 875, since they cannot qualify as public entities. Yet their value to the community is incalculable. They complement the public school system of these States at all levels.

A provision of H.R. 11580 would make it possible for the Small Business Administration to extend loans to these institutions, waive interest payments and to defer principal payments for the first 3 years of the term of the loan. This is extremely vital to many communities in the area affected since they may be the only educational institution available, or alternate public school facilities themselves are damaged. However, in the latter instance there is available help under Public Law 875 which is not available to private educational institutions.

Since it is readily apparent that Public Law 875 is inadequate, witness the annual request of Congress to enact special legislation to fit the needs of individual disaster sufferers, a final provision of H.R. 11580 is to direct the Housing and Home Finance Administration to immediately undertake a study. This study would be of all the alternate means of helping to provide financial assistance to property loss sufferers at the hands of any natural disaster. This would include the possibility of flood and disaster insurance under Federal auspices. A report would be called for within 9 months of enactment.

It will be far better in the future to have a well thought out and integrated program of sufficient financial reserve and assistance for disaster sufferers. This is necessitated by reason of the inadequacies of the present program which results in the need for this bill which would authorize the appropriation of \$70 million to be applied in the region affected by Betsy.

If such a program is not developed there will be a continuous procession of individual bills aimed at helping in specific situations.

Such is neither the humane nor the efficient way to provide relief, no matter how worthy the cause.

I urgently seek your support for this legislation in order to assist thousands of citizens in the three States of immediate concern and to take a step toward eliminating the future need for localized legislation of this type.

Thank you very much, Mr. Chairman.

Mr. JONES. We have with us the Deputy Director of the Office of Emergency Planning, Mr. Frank Dryden, who has been so helpful to us in all our hearings throughout the year.

Mr. Dryden.

**STATEMENT OF FRANKLIN B. DRYDEN, DEPUTY DIRECTOR,
OFFICE OF EMERGENCY PLANNING; ACCOMPANIED BY ROBERT
Y. PHILLIPS, DIRECTOR, GOVERNMENT READINESS OFFICE;
AND MORDECAI M. MERKER, LEGAL ADVISER**

Mr. DRYDEN. Mr. Chairman and members of the committee, it is a pleasure to appear before you today to offer our comments on H.R. 11539, and related bills, to provide assistance to the States of Florida, Louisiana, and Mississippi for the reconstruction of areas damaged by the recent hurricane.

As you know, the President has delegated responsibility for administration of the Federal Disaster Act, Public Law 81-875, to the Office of Emergency Planning. The principal types of assistance available under the act are: protective, health, and sanitation measures; debris clearance; provision of temporary housing; and the emergency repair or temporary replacement of essential public facilities of State and local governments. These are designed primarily to aid the public sector, with benefits accruing to the private sector mainly through provisions to remove hazards to the public health and safety. These are the measures we took in Alaska and other devastating disasters of recent years.

Unfortunately, both the incidence and the magnitude of major natural disasters have increased recently and the most serious of these have been caused by hazards against which private insurance is generally unavailable.

This is true of the Alaska earthquake with its resulting seismic waves, the floods in the Northwest States in December 1964, and the flooding in the Midwest and Mountain States this spring and summer. However, it could well be that not since the enactment of Public Law 875 in 1950 has a disaster of the magnitude of Hurricane Betsy visited our shores. It appears that both in terms of monetary losses and in numbers of people affected it has dwarfed previous calamities. We do not as yet have any solid damage figures. Governor McKeithen, however, has estimated that total private and public damages will exceed \$1 billion.

The Red Cross reports that between 800,000 and 1 million persons were adversely affected by the hurricane. The largest number of persons were displaced since the 1937 Ohio-Mississippi River floods forced over a million persons from their homes. Over 1,500 homes were destroyed and more than 150,000 damaged; over 2,000 trailers were damaged or destroyed, 1,400 farm buildings, and 2,600 small businesses.

Because major disasters have been recognized as a national responsibility, the Federal Government has increasingly involved itself in disaster relief activities. Following each of the major disasters since Alaska, legislation has been introduced in the Congress to aid the individuals involved.

In each instance, the Office of Emergency Planning, regardless of the desirability of the specific proposals, felt that legislation of this type should be permanent in nature and of general and equal application. Our belief in that principle has not changed. However, we realize that the people of Florida, Louisiana, and Mississippi who have suffered such tremendous losses as a result of Hurricane Betsy cannot wait and should be afforded assistance now.

Section 2 of H.R. 11539 authorizes the sale of trailers, provided as temporary housing under Public Law 875, to the persons who are occupants of them as a result of the hurricane. Adequate low-cost housing is not available in the area and this provision will provide homes to those persons sorely in need of housing without the necessity of further uprooting them.

Section 5 provides for a study—

of alternative programs which could be established to help provide financial assistance to those suffering property losses in flood and other natural disasters, including alternative methods of Federal disaster insurance * * *.

In our opinion, the ultimate solution to the problem before us may be all-risk disaster insurance available to everyone at reasonable rates.

If it can be established that such insurance is feasible, the need for legislation of the type now before you will not be necessary.

We defer to the appropriate agencies on the other sections of the bill. Subject to specific recommendations of the Bureau of the Budget and other interested agencies, we favor the objectives of this legislation.

Mr. JONES. Thank you, Mr. Dryden, for coming here this morning and giving us the benefit of your comments, also your associates.

Any questions?

Mr. Cramer.

Mr. CRAMER. Mr. Dryden, as the Deputy Director of the presently existing program you have had occasion under Public Law 81-875 to make some assistance available to the three States involved, have you not?

Mr. DRYDEN. Yes.

Mr. CRAMER. Will you give us some information on that, as to the assistance you have given under that act referred to in the second paragraph of your statement?

Mr. DRYDEN. May I defer to Mr. Phillips to answer that?

Mr. PHILLIPS. The program so far has been conducted in accordance with the specific measures that Mr. Dryden indicated. There has been an allocation made to the State of Florida of \$1.5 million under Betsy. We have an estimate that has not been proven as yet—by that I mean check out with the State—of about \$1 million for the State of Mississippi. There has been no allocation of funds to Mississippi as yet. This is also true with regard to Louisiana, where an informal figure of \$2 million has been approved although the figure will run some 15 times that, probably.

Mr. CRAMER. That is a preliminary allocation?

Mr. PHILLIPS. Yes. What the President usually does is to make a preliminary allocation, just as you would open a bank account, to

take care of those expenditures that need to be taken care of to permit the States to proceed immediately. A great deal of the work is conducted through Federal agencies helping the State and local agencies following a specific request by the State or local government.

Mr. CRAMER. Have those preliminary allocations been made in all three States?

Mr. PHILLIPS. No preliminary allocation has been made as yet in Mississippi. However, this does not prevent the work from proceeding. Immediately following a disaster we authorize the State to proceed with what is eligible and they proceed knowing they will be paid for eligible work.

Mr. CRAMER. Do I understand, taking the State of Florida, the most you could make available to Florida under the present law would be for the public facilities program?

Mr. PHILLIPS. Primarily, except for health and safety.

Mr. CRAMER. The amount you could make available under present law is about \$1.5 million?

Mr. PHILLIPS. It looks like that.

Mr. CRAMER. And you say for Louisiana it looks like \$30 million?

Mr. PHILLIPS. That is not a reliable estimate but it is the best we have in mind at the moment. If it runs that much, \$30 million or \$40 million, it could be taken care of.

Mr. CRAMER. So of the estimated total damages of roughly \$1 billion in the State of Louisiana the Federal Government can consider an estimated \$30 million of assistance under present law?

Mr. DRYDEN. That is correct.

Mr. CRAMER. I think that illustrates the minuscule effect of the present law on the total amount of damage sustained in natural disasters.

Mr. DRYDEN. Those are funds that will be made available under Public Law 81-875. The Small Business Administration, the Department of Agriculture, and other agencies can go far beyond that, if necessary. Their current expenditures are not included.

Mr. CRAMER. They will testify as to that?

Mr. DRYDEN. Yes.

Mr. CRAMER. So my question and your answer is related solely to Public Law 81-875?

Mr. DRYDEN. Yes.

Mr. CRAMER. Which is a direct grant for the public facilities program?

Mr. DRYDEN. And for health purposes, to remove debris, and so forth.

Mr. CRAMER. The estimate of the cost of this bill is \$70 million and, of course, we made available under the northwest disaster aid bill, which is law, \$100 million for this fiscal year, as I remember it. Is that \$100 million going to be adequate to carry out this program under your present authorization under Public Law 81-875?

Mr. DRYDEN. I think the other agencies would have to reply to that.

Mr. CRAMER. I directed my question to your agency. Under Public Law 81-875 do you have enough money to handle this responsibility you just mentioned?

Mr. DRYDEN. Yes.

Mr. CRAMER. So you do not need additional authorization for your functions under Public Law 81-875?

Mr. DRYDEN. No; not at this time.

Mr. CRAMER. As I understand, under the pending bill—and I should understand it, I introduced it—the \$70 million is not expected to go into your existing authority under Public Law 81-875 but to different programs?

Mr. DRYDEN. That is right.

Mr. CRAMER. I thank you.

Mr. SWEENEY. Will the gentleman yield for a question?

Mr. DRYDEN, do you anticipate coming back to the committee to testify in connection with the permanent legislation and to testify in depth so far as the record of performance of the Office of Emergency Planning?

Mr. DRYDEN. Certainly, if we are asked to do so.

Mr. SWEENEY. Mr. Chairman, I would ask that Mr. Dryden be invited back at that time. I think there are many specific questions we would like to direct to him.

Mr. DRYDEN. I will be glad to.

Mr. CRAMER. One further question: I understand you have a study underway as to the feasibility of all-risk disaster insurance?

Mr. DRYDEN. Mr. Cramer, HHFA is now conducting a study which includes disaster insurance. Of course, we have been studying it from time to time over the years. We have had conferences with the major insurance companies seeking an answer to this, and they are seeking an answer to it, too.

Mr. CRAMER. Do you have a breakdown of the Florida damages? I see you have \$110 million private losses and \$9 million public losses, for a total of \$119 million, of which \$1.5 million is available under Public Law 81-875 for public participation. Do you have a breakdown for Florida as you do for Louisiana?

Mr. DRYDEN. Could we supply that for the record?

Mr. CRAMER. Yes, and also the insured and uninsured losses.

Mr. DRYDEN. Yes, sir. We will include that at this point, if we may.

OCTOBER 14, 1965.

HON. WILLIAM C. CRAMER,
House of Representatives,
Washington, D.C.

DEAR MR. CRAMER: In accordance with your request at yesterday's hearing on H.R. 11539, enclosed for the record is a summary of Hurricane Betsy damages in Florida. When we review the transcript, we will insert it in the proper place.

Sincerely,

BUFORD ELLINGTON, *Director*.

[Enclosure]

HURRICANE BETSY, FLORIDA

"MAJOR DISASTER" DECLARED SEPTEMBER 14, 1965

Summary of damage

Public property damage-----	\$9, 100, 000
Private property damage-----	(102, 460, 000)
Agricultural damage-----	(7, 500, 000)
Total-----	109, 960, 000
Total damage-----	119, 060, 000
Estimate of eligible work, Public Law 81-875-----	1, 546, 000

A breakdown of the work, by county and category, is attached.

The Red Cross reports that 27 homes were destroyed, 355 suffered major damage, and 3,901 minor damage. In addition, 193 trailers were destroyed and 955 were damaged. A total of 6,404 families suffered some loss as a result of this disaster.

Florida State officials have estimated 25 percent wind damage and 75 percent water damage as result of Hurricane Betsy.

The insurance industry has estimated about 50,000 claims, with insurance payments of from \$25 to \$28 million.

Estimate of eligible damage, Florida

County	Debris clearance	Protective health and sanitation measures	Streets, roads, and bridges	Dikes, levees, drainage facilities	Public buildings	Public utilities	Total
Broward.....	\$150,000	\$10,000	\$128,000	\$50,000	\$28,000	\$95,000	\$461,000
Collier.....			1,000	4,000			5,000
Dade.....	254,000	50,000	142,000	10,000	75,000	195,000	726,000
Glades.....			2,000	10,000			12,000
Hendry.....			3,000	15,000			18,000
Lee.....			1,000	3,000			4,000
Martin.....		16,000					16,000
Monroe.....	40,000	80,000	50,000	5,000	20,000	80,000	275,000
Palm Beach.....	2,000	18,000					20,000
St. Lucie.....		9,000					9,000
Total.....	446,000	183,000	327,000	97,000	123,000	370,000	1,546,000

The CHAIRMAN. Any further questions?

Thank you again, Mr. Dryden, for coming up here before us.

Our next witness is our colleague, Congressman Fascell, of Florida.

**STATEMENT OF HON. DANTE B. FASCELL, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF FLORIDA**

Mr. FASCELL. Thank you, Mr. Chairman and members of the committee.

I welcome this opportunity to make some brief comments with respect to the pending legislation, which I intend to cosponsor. I agree not only with the specifics but with the policies inherent in this legislation.

May I say this committee is acting in the best tradition in once again responding to the needs of a great area of our country and a great many people of our country. As you have demonstrated in the past, I know you will take prompt action on this legislation.

I would like to address myself to the broad policy questions raised in this legislation. There is no question that with the occurrence of major disasters we will be confronted with emergency problems and therefore we should have the proper legislative authority and administrative machinery to deal with them on a permanent basis.

Second, the study of the availability and desirability of insurance is vital. People must have the ability to insure risks that cannot normally be met. Therefore I think one of the most important things emanating from this legislation is the study that will be made and the emphasis this committee will put on determining whether all-risk disaster insurance is feasible and whether this can be performed by private enterprise or whether the Federal Government must assist in some way.

So I conclude, Mr. Chairman and members of the committee, by thanking you very much for the prompt attention and response you have given to our area and other areas of the country in this emergency and join in full support of the measures now pending before the committee.

The CHAIRMAN. Thank you very much, Mr. Fascell. Any questions?

Mr. CRAMER. Mr. Chairman, I am glad my distinguished colleague from Florida is here in support of this legislation and I commend him on his statement.

I understand the largest damage was in southeast Florida, was it not?

Mr. FASCELL. It was, Mr. Cramer.

Mr. CRAMER. Is it your opinion that this legislation will be of substantial assistance to the persons who suffered damage?

Mr. FASCELL. There is no question about it that this assistance is vital, not only to our area, which suffered less but considerable damage.

Mr. CRAMER. Thank you.

Mr. GRAY. Mr. Chairman, before the gentleman leaves I want to commend him for his testimony and, as chairman of the special subcommittee that begins hearings tomorrow on the broad aspects of disaster legislation, I hope the gentleman will give us the benefit of his views, either in person or by submitting a statement.

Mr. FASCELL. I thank the distinguished gentleman from Illinois for advising me of that fact and I would like to participate in those hearings and appreciate his invitation. I think it is a very vital step.

Mr. JONES. The next witness is Mr. Elmer B. Staats, Deputy Director of the Bureau of the Budget.

Mr. Staats, I want to express to you our gratitude for the assistance you have given members of the committee in drafting this bill. I know it has been a difficult job to try to come up with some satisfactory arrangements, and you have been most patient and most responsive.

STATEMENT OF ELMER B. STAATS, DEPUTY DIRECTOR, BUREAU OF THE BUDGET, ACCOMPANIED BY J. E. REEVE, CHIEF, MONETARY AND CREDIT ANALYSIS

Mr. STAATS. Thank you, Mr. Chairman, for that remark. It has been a very difficult problem and I hope we are moving toward a resolution of it in an effective way.

I have, Mr. Chairman, a statement which I believe has been made available to the members of the committee. With your concurrence, I would like to read this statement.

Mr. Chairman and members of the committee, I appreciate the opportunity to discuss with you H.R. 11539, a bill introduced by Representative Fallon, to provide assistance in the States of Florida, Mississippi, and Louisiana for the reconstruction and rehabilitation of devastated areas damaged by the recent hurricane, floods, and high waters.

During the past 18 months, natural disasters have been exceptionally numerous and serious. From the Alaskan earthquake on Good Friday 1964 to Hurricane Betsy last month, a succession of catastrophes has made us increasingly aware that even the most modern weather forecast and warning system or the most delicate

seismograph cannot fully protect us from the uncertainties of wind, water, and earthquake.

H.R. 11539 is one of several important bills which have been introduced in recent months to expand Federal aids for disaster-stricken areas. Before discussing its major features, I should like to outline briefly the general background of certain related aspects of Federal disaster policy in order to indicate how this legislation fits into the overall picture.

Since 1950 the Federal Government has played an increasing role in major disasters. Up to now most of the Federal effort has been concentrated on helping State governments and local communities meet emergency needs, especially the need to restore and rebuild vital public facilities and services. Your committee is familiar with the disaster relief program established under Public Law 875 and the important contributions it has made in these and other respects.

With respect to private individuals and groups, our general approach in major disasters has been to look to the parties most concerned, with the assistance of State and local governments, to make every reasonable effort to protect their own properties, including the purchase of insurance wherever such insurance is available on reasonable terms. Direct Federal aid to the private sector has been mainly concentrated on assuring liberal credit to homeowners, businesses, and farmers stricken by disasters, by providing long-term loans at interest rates substantially below those which the Federal Government pays to obtain the money. Public Law 89-59, enacted on June 30, 1965, further liberalized this type of assistance by authorizing the Small Business Administration to make such 3 percent loans to homeowners and businesses with maturities up to 30 years—that was an increase from 20 to 30 years—and to suspend payment of principal and interest for as much as 5 years where necessary to avoid severe financial hardships. In the case of farmers, cost-sharing assistance has been made available up to 80 percent of the cost of restoring agricultural land to production—removing debris, restoring fences, stabilizing the soil, etc.

At the time of the disastrous Kansas-Missouri floods in 1951, it became apparent that for most types of flood losses, private insurance was not available at reasonable rates and, in these instances, therefore, private property owners had no effective method of protecting themselves. President Truman at that time proposed payment of partial indemnities and establishment of national flood insurance. The 1955 hurricanes and floods brought renewed attention to this problem and legislation was enacted at that time authorizing the Federal Government to insure or reinsure flood risks. The initial plan for such insurance presented by the Housing and Home Finance Agency in 1957, however, did not prove acceptable to the Congress and hence the appropriations necessary to make it effective were denied.

Since that time there has been increasing recognition both of the need for more effective protection for individuals and groups against flood losses and of the difficulty of devising a workable flood insurance program. The Alaskan earthquake has given a new dimension to the problem by adding earthquakes to the package of risks against which private property owners may need more adequate protection. There are no simple easy answers, but the administration has been supporting two complementary approaches which would require the following two types of new statutory authority:

1. Authority and funds for the Housing and Home Finance Agency to undertake an intensive study of alternative programs to help provide financial assistance for property losses from natural disasters—including but not limited to various types of Federal disaster insurance. Legislation along this line (S. 408) has been passed by the Senate and reported by the House Banking and Currency Committee.

2. Authority for the Federal Government jointly with the States to reimburse private property owners for a portion of any uninsurable losses arising from natural disasters on the basis of carefully formulated plans initiated and administered by the States. A modified version of this proposal is contained in section 4 of S. 1861 as passed by the Senate and now before your committee. Our comments on this and related House bills containing this proposal are included in executive branch reports already transmitted to you.

Neither of these two proposals, either separately or together, would provide assistance for the victims of Hurricane Betsy. H.R. 11539 is designed primarily to meet this immediate problem. The key features of the bill are the authorities provided in sections 3 and 4 for the Small Business Administration, in the case of homeowners and small businesses, and the Farmers Home Administration, in the case of farmers and other residents of rural areas, to cancel up to \$1,800 of any part of a disaster loan above \$500 arising from certain types of damage caused by Hurricane Betsy. Alternatively, at the borrower's option, the two agencies could waive interest over a maximum period of 3 years up to a total of \$1,800. SBA would also be authorized to waive interest payments and defer principal payments for 3 years on loans to privately owned schools, colleges, and universities suffering flood losses caused by Hurricane Betsy. ✓

In the case of SBA loans, section 3 would authorize cancellation of loans or interest waivers to cover losses whether or not the disaster victim could have purchased insurance protection against such losses. In our view a case can be made for Federal financial assistance to disaster victims to help cover uninsurable losses, specifically losses arising from floods and related hazards. We do not believe, Mr. Chairman, however, that the Government has a similar responsibility for losses which could have been covered by insurance. We, therefore, strongly recommend that the loan cancellation and interest waiver authority provided under section 3 be limited, consistent with the limitation in section 4, to property loss or damage resulting from flood, high waters, or wind-driven water.

Even with this amendment, the volume of Federal assistance required will be substantial. In the time available, the information obtainable does not permit a precise estimate. In fact, I am advised that reasonable estimates of the cost for the loan cancellations and the interest waivers could be in a range as broad as \$20 to \$70 million. Mr. Chairman, on the basis of information we have worked on overnight, it looks like the figure \$70 million seems closer than \$20 million. In addition, the availability of such assistance will undoubtedly encourage many more loan applications and a corresponding increase in SBA disbursements and administrative expenses. The Small Business Executive Administrator may be able to supply more details on the costs and volume of loans which would be brought about by the proposed legislation. I understand you will hear from him also this morning.

The provision in section 4 requiring the Farmers Home Administration to make emergency loans without regard to the borrower's ability to obtain credit from other sources would greatly increase the volume of loan applications. With this provision the FHA estimates 6,000 loans would be made totaling approximately \$37 million. The assets of the emergency credit revolving fund, from which emergency loans are made, are not adequate to make loans in this amount in the disaster area and to meet other loan demands on the fund. If this provision remains in section 4, the FHA estimates a need for an immediate additional appropriation of \$25 million to augment the revolving fund.

We recommend that the provision be deleted. If the suggested deletion is made, emergency loans would be made to farmers who are determined by the Administrator to be unable to obtain credit from other sources as now required by statute. This does not mean, however, that a farmer must be destitute or almost bankrupt in order to qualify for an emergency loan. We understand that an applicant's normal lender is consulted concerning the availability of credit to meet the applicant's needs, but that there is no requirement of rejection letters.

With the suggested deletion the Farmers Home Administration will make an estimated 3,900 emergency loans totaling \$15 million to victims of Hurricane Betsy. These loans will include cancellations of \$300,000 to \$500,000, and no additions to the emergency credit revolving fund will be required.

The loan cancellation and interest waiver provisions, as well as the authority provided in section 2 for the Office of Emergency Planning to sell trailers at fair and equitable prices to disaster victims occupying such trailers for their longer term use as housing, are designed to meet the immediate emergency requirements of private individuals and groups who could not protect themselves against the havoc caused by Hurricane Betsy. These groups cannot be expected to wait until the Federal studies are made which are necessary to establish a workable insurance program or until the State and Federal action is taken which would be necessary to establish an equitable and effective Federal-State loss-sharing system.

This legislation, however, is and should be temporary legislation. It is properly confined to victims of Hurricane Betsy, where the problem is most acute, and where SBA and the Farmers Home Administration are now actively engaged in providing disaster assistance.

However, as I have already indicated, this type of problem is not unique. Section 5 would authorize the Secretary of Housing and Urban Development to make an immediate study of alternative programs of financial assistance along the lines of the pending legislation to which I have previously referred. It would require him to report his major findings and recommendations for submission to the Congress not later than 9 months after the appropriation of funds to carry out the study. In the case of earthquake insurance a 3-year deadline would be set. The President transmitted a request to Congress on October 7 for a supplemental appropriation of \$1,600,000 to finance such a study, assuming that either S. 408 or this legislation will be enacted in this session. We hope, Mr. Chairman, very much that that appropriation, which is now pending before the Senate

Appropriations Committee, will be approved this session. When the recommendations arising from this study become available, the administration and the Congress can take a new look and enact appropriate permanent legislation based upon the more comprehensive information available at that time.

Section 6 of the bill would authorize a maximum of \$70 million in appropriations to carry out the purposes of this act. This limitation would probably be adequate to cover the cost of the loan cancellation and interest waivers, as well as any losses entailed in sales of trailers to disaster victims who are occupants of them. However, if the limitation is intended to include the additional loan disbursements which would result from the benefits to be provided, the limitation obviously would be inadequate. Moreover, it would appear impossible to determine which loans to disaster victims arose from the new authority of the act and which would have been made under existing authority of the SBA and the Farmers Home Administration.

We would recommend, therefore, that the limitation be revised to apply only to losses arising from sales of trailers authorized under section 2 and from loan cancellations and interest waivers authorized under sections 3 and 4. The usual authorization and appropriation limits would apply to the loans themselves. Separate legislation will probably be required early in the next session to increase the lending authorization of the Small Business Administration.

In conclusion, Mr. Chairman, the Bureau of the Budget recommends enactment of legislation along the lines of H.R. 11539, if amended as indicated in my statement. We do so, however, recognizing that this cannot be a permanent or long-term answer to the problem of providing assistance to the victims of flood losses and other uninsurable damages resulting from natural disasters. For this reason, the bill wisely includes a provision which contemplates further Federal action in the near future dealing with this problem on a national basis. We must find a basis by which the costs of these disasters can be shared, either through State contributions or by using the insurance principle of pooling the risks.

This concludes my statement, Mr. Chairman.

We have, for the use of the committee, marked up a copy of this bill to reflect the points covered in my statement. If this would be useful to you, we can make it available to you and your staff.

Mr. JONES. Do you have that with you?

Mr. STAATS. Yes.

Mr. JONES. It will be made a part of the record at this point.
(The document referred to follows:)

AMENDMENTS SUGGESTED BY BUREAU OF THE BUDGET

[89th Cong., 1st sess., H.R. 11539]

A BILL To provide assistance to the States of Florida, Louisiana, and Mississippi for the reconstruction of areas damaged by the recent hurricane

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby recognizes that the States of Florida, Louisiana, and Mississippi suffered extensive property loss and damage as a result of Hurricane Betsy in 1965 (including, ~~but not limited to~~ loss and damage from flood, high waters, and wind-driven waters caused by such hurricane) and that there is a need for special measures designed to aid and accelerate these States in their efforts to provide for the reconstruction of ~~highways and public works projects, and to otherwise rehabilitate and rehabilitation~~ of these devastated areas.

SEC. 2. Notwithstanding any other provision of law, trailers provided as a result of Hurricane Betsy as temporary housing under clause (d) of section 3 of the Act entitled "An Act to authorize Federal assistance to States and local governments in major disasters, and for other purposes", approved September 30, 1950, as amended (42 U.S.C. 1855b), may be sold directly to the persons who are the occupants thereof *for their housing use* at prices that are fair and equitable.

SEC. 3. In the administration of the disaster loan program under section 7(b)(1) of the Small Business Act, as amended (15 U.S.C. 636(b)), in the case of property loss or damage *resulting from flood, high waters, or wind-driven water* in the States of Florida, Louisiana, and Mississippi resulting from Hurricane Betsy, the Small Business Administration ~~to the extent such loss or damage is not compensated for by insurance or otherwise~~ (1) shall at the borrower's option on that part of any loan in excess of \$500, (A) cancel up to \$1,800 of the loan, or (B) waive interest due on the loan in a total amount of not more than \$1,800 over a period not to exceed three years; and (2) may lend to a privately owned school, college, or university without regard to whether the required financial assistance is otherwise available from private sources, and may waive interest payments and defer principal payments on such a loan for the first three years of the terms of the loan.

SEC. 4. In the administration of the emergency loan program under subtitle C programs of the ~~Consolidated Farmers Home Administration Act of 1961, as amended (7 U.S.C. 1961-67)~~, in the case of property loss or damage in the States of Florida, Louisiana, and Mississippi, resulting from flood, high waters, or wind-driven water or uninsurable crop loss, caused by Hurricane Betsy, the ~~Administrator of the Farmers Home Administration shall to the extent such loss or damage is not compensated for by insurance or otherwise~~, at the borrower's option, on that part of any loan in excess of \$500, (1) cancel up to \$1,800 of the loan, or (2) waive interest due on the loan in a total amount of not more than \$1,800 over a period not to exceed three years: *Provided, That the cancellation or interest waiver provisions of this section shall not apply to any crop with respect to which damage or deficiency payments are available to the borrower under any other Federal program without regard to whether the required financial assistance is otherwise available from private sources.*

SEC. 5. The Secretary of Housing and Urban Development *Housing and Home Finance Administrator* shall undertake an immediate study of alternative programs which could be established to help provide financial assistance to those suffering property losses in flood and other natural disaster, including alternative methods of Federal disaster insurance, as well as the existing flood insurance program, and shall report his findings and recommendations to the President for submission to the Congress not later than nine months after the appropriation of funds for this study, except that the findings and recommendations on earthquake insurance shall be reported to the President for submission to the Congress not later than three years after the appropriation of funds for this study.

SEC. 6. There is hereby authorized to be appropriated ~~not to exceed \$70,000,000~~ *such sums as are necessary to carry out the purposes of this Act, and such sums shall remain available until expended: Provided, That the amount of loss incurred on the sale of trailers to occupants authorized under section 2 and on the cancellation of loans and the waiver of interest payments authorized under sections 3 and 4 shall not exceed \$—, —, —.*

SEC. 7. This Act, other than sections 5 and 6, shall not be in effect after January 1, 1967, except with respect to payment of expenditures for obligations and commitments entered into under this Act on or before such date.

SEC. 8. This Act may be cited as the "Southeast Hurricane Disaster Relief Act of 1965".

Mr. JONES. Any questions?

Mr. CRAMER. Mr. Staats, I refer to page 8 of your statement, the last paragraph, relating to the authorization of \$70 million and what it could be applied to under this act. As I understand it, your interpretation is that it can be read to mean under sections 3 and 4 that that \$70 million would include not only the waiver amounts but the loan amount?

Mr. STAATS. Yes. We are concerned lest it be read in those terms and the suggested language takes care of that.

Mr. CRAMER. I fully realize that the \$70 million, at least in my opinion, would not cover the loan amount under those new programs.

Mr. STAATS. We are quite certain it would not.

Mr. CRAMER. But it would cover, and I think you agree with that, the amount of loan cancellations and interest waivers?

Mr. STAATS. Yes. We were quite certain this was the intent but it seemed, reading the act, it might be misconstrued and, therefore, a change in language would be appropriate.

Mr. CRAMER. I do not see how you could come to that conclusion. Section 6 authorizes not to exceed \$70 million "to carry out this act" and section 4 amends the existing act, so it does not refer to the existing act, it refers to this amendment, and this amendment in section 4 says that the Secretary, at the borrower's option, can cancel up to \$1,800 of the loan or waive interest up to \$1,800.

Mr. STAATS. I do not think we have a difference in substance, Mr. Cramer, but on the trailer losses the question is whether it is charged against the new authority or the existing authority. With respect to the Farmers Home Administration—

Mr. CRAMER. Just a minute. Under section 2 the only amendment is that trailers provided as a result of Hurricane Betsy as temporary housing under the act approved September 30, 1950, as amended, "may be sold directly to the persons who are the occupants thereof at prices that are fair and equitable." I do not see how this \$70 million could be spent for other than relating to this one hurricane, if there is a loss on a trailer that they could be reimbursed. This \$70 million could not be used for purchasing a trailer.

Mr. STAATS. That is quite right. The question is who takes the losses. We have not been selling these trailers before.

Mr. CRAMER. I understand, so the amendment, which refers to the authorization of \$70 million, would be limited to this new authority of selling.

Mr. STAATS. I think this is a drafting point, but the one that would be more serious in our eyes would be the Farmers Home Administration where the bill would be interpreted to liberalize the Farmers Home provisions.

Mr. CRAMER. If it needs clarifying language, I think that can easily be accomplished.

Mr. KUNKEL. Will the gentleman yield?

Mr. CRAMER. Yes.

Mr. KUNKEL. Could we not have Mr. Staats prepare clarifying language?

Mr. CRAMER. He has language to cover that. What you have done is incorporated your amendments in a new draft of the bill?

Mr. STAATS. Yes, for the convenience of the committee.

Mr. CRAMER. You suggest on page 6 that the anticipated increase in FHA loans if the provision in section 4 requiring the FHA to make emergency loans without regard to the borrower's ability to obtain credit from other sources would result in a need for an additional appropriation of \$25 million.

Mr. STAATS. Yes.

Mr. CRAMER. Which can be accomplished, if the loans are requested and the funds are needed, next year through the appropriate appropriation process?

Mr. STAATS. It is our understanding—and you will no doubt take that up with the Farmers Home Administration as well—from our meeting with them the other day that they would have to have this immediately, that they could not wait until next spring, otherwise

the need would have passed because a good many of these loans would be made for crop purposes and would have to be made in January or February, which would be before new money could be made available next year.

Mr. CRAMER. If they need more authorization they could ask for it next year?

Mr. STAATS. They advise us they would have to have this immediately in order to carry out this provision.

Mr. CRAMER. The \$25 million additional authorization?

Mr. STAATS. Yes. They are in a tight situation on their revolving fund and therefore the increased volume that would be stimulated by this would require the additional \$25 million.

Mr. CRAMER. You say this will result in stimulation? FHA has the right to make the loans now but without waiver?

Mr. STAATS. They have authority to make the loan but they do not have authority to make the loan without regard to the availability of credit elsewhere. That is what the additional \$25 million is related to.

Mr. CRAMER. I understand there are two new proposals.

Mr. STAATS. They would not require new funds for the waiver. They would require additional funds for the revolving fund if the provision is kept in "without regard to whether the required financial assistance is otherwise available from private sources."

Mr. CRAMER. Are you saying without the additional \$25 million for FHA this program could not be properly carried out?

Mr. STAATS. That is right.

Mr. CRAMER. Why not leave the language in and provide for the necessary additional authorization?

Mr. STAATS. Mr. Cramer, I think our view is that the problem that this language "without regard to whether the required financial assistance is otherwise available from private sources" raises is one which is essentially an administrative problem, and this is a question of the way the law is presently administered and the kind of test which is required before the FHA makes a loan. It may be too restrictive or too liberal in the eyes of various people, but it would have complications for FHA all over the country. It is for this reason we came to the conclusion our preference would be not to disturb that but a deal with it administratively.

Mr. CRAMER. I think one of the problems in this disaster program is the rather cumbersome administrative procedure relating particularly to the proof required that outside sources are not available. Certainly outside sources will not be available in the case of waiver.

Mr. STAATS. That is true.

Mr. CRAMER. So to not write this in, in my opinion, would result in denying the waiver provision to needy persons.

Mr. STAATS. It would not deny the waiver provision to those who qualify for a loan under existing law.

Mr. CRAMER. But if the finances are available from a private institution the waiver would not be effective.

Mr. STAATS. That is true.

Mr. CRAMER. What I am trying to do is make the waiver provision, the \$1,800, available where needed. FHA will not make a loan of \$1 million for a disaster. There is a need test written into the present administrative procedures, is there not?

Mr. STAATS. If you omitted the phrase any loan granted for disaster assistance would be subject to the waiver. I believe the point

you are making is that you would have fewer loans made if you did not have that phrase in here and therefore there would be fewer people qualifying for the waiver?

Mr. CRAMER. That is not the point I am making. I am making two points: (1) Under the present law there is a need test made and that does not have any relationship to the availability from other sources, is that right, under FHA?

And (2) what we are trying to do is make available, where there is a need, this \$1,800 waiver?

Mr. STAATS. That is right.

Mr. CRAMER. Now, if they have to go to a private source for the money they will not get the waiver?

Mr. STAATS. That is quite true.

Mr. CRAMER. So how can you make the waiver available for all in need if we should strike the "otherwise available" phrase?

Mr. STAATS. I think there is no question you will have fewer loans if you strike this out.

Mr. CRAMER. I am interested in fairness and equity. You have two situations of equal need and substantial loss. The question is a waiver of \$1,800, which is the same as going in the man's pocket, and it goes to one person who cannot get assistance from outside sources but not to one who can get it from outside sources.

Mr. STAATS. SBA would not be granting loans to all who apply.

Mr. CRAMER. We have gone over that point.

Mr. STAATS. There will be inequity to some people, in any event, either here or SBA.

Mr. CRAMER. The second question is, if the committee as a matter of policy decides to leave that in, is it your opinion to make it effective we would have to include in this legislation additional authorization for FHA, the Farmers Home Administration, so they can carry the program out?

Mr. STAATS. This is the best information we have in the short period of time we have had.

Mr. CRAMER. Have you language prepared to that effect or would you prepare such language?

Mr. STAATS. It is a matter of cash in the revolving fund. It is not a matter of authority. It is an appropriation request they would have to have.

Mr. CRAMER. That is what I am getting at. Is it necessary for us to do anything legislatively in order to carry out the additional \$25 million in the one program—and I think it is \$35 million in the other—that you say is needed? Is that authorization or appropriation?

Mr. STAATS. It is appropriation.

Mr. CRAMER. So you do not need anything in this legislation for authority?

Mr. STAATS. You do not need authority but you would need some appropriations.

Mr. CRAMER. Then an amendment would not be necessary?

Mr. STAATS. No, sir.

Mr. CRAMER. So we have to make a policy decision whether to put this language in or leave it out?

Mr. STAATS. That is right.

Mr. CRAMER. Thank you.

Mr. BALDWIN. Mr. Chairman.

Mr. JONES. Mr. Baldwin.

Mr. BALDWIN. I notice in your statement, at the bottom of page 2, you say in the case of farmers, cost-sharing assistance has been made available up to 80 percent of the cost of restoring agricultural land to production—removing debris, restoring fences, stabilizing the soil, et cetera. You probably heard the interchange that we had with Senator Long of Louisiana in which he proposed that section 3 of the bill be changed to allow the waiver of \$1,500 including the first \$500. In other words, he would not require that the first \$500 be exempted from the waiver, and I raised the question, would it not be more suitable to have a provision here that would enable the borrower to waive up to 80 percent of the loan but not to exceed \$1,500. This would be more equitable between cases and would be consistent with what is being done in restoring agricultural land, as you mention at the bottom of page 2 of your statement.

Would you be willing to have us modify this section? I drafted a proposed revision that on page 2 of the bill, line 17, starting with subsection (1) it would read:

shall at the borrower's option (A) cancel up to 80 percent of the loan and not to exceed \$1,800 of the loan, or (B)—

And go on with the present wording.

Would you be willing to have us make that modification if it would make it more consistent with what is done with regard to agricultural relief?

Mr. STAATS. You do have the precedent here in the case of agriculture. I would like to say that we are concerned about the point that Senator Long mentioned about a vast number of very small claims or loans coming in which would be almost impossible to handle. We feel that there needs to be some way of placing some responsibility on the other than Federal sources. This does not necessarily mean individuals. It can be local. It can be private. It can be State. But we feel there needs to be some responsibility shared elsewhere than the Federal Government in a situation of this kind.

Therefore, in answer to your specific question, I would say that if the amount were dropped to \$200, you would obviously need to take this point into account.

I think a sharing arrangement of the 80-20 type would have the effect of discouraging these types of applications that we are concerned about. It does not necessarily follow that it would have to be a straight 80-20 all the way up the scale. You could have a graduated scale. In other words, it could be 10 percent up to a certain amount and then 20 percent up to a larger amount and then a higher percent, maybe, for even larger amounts so as to help the fellow who has the less resources. But the principle of sharing in this we think is sound.

I would, therefore, answer your question in the affirmative. All the difference I might have would be a difference, whether it should be a flat 80-20 or some differential at the lower 20.

Mr. BALDWIN. Thank you.

Mr. DORN. Mr. Chairman?

Mr. GRAY. Mr. Dorn.

Mr. DORN. I want to compliment Mr. Staats not only on an excellent statement this morning to the committee but for the splendid job he is doing for the country as Director of the Bureau.

Mr. GRAY. I want to join the gentleman from South Carolina and say it is an excellent statement.

I am a little hazy about your statement on page 8:

We would recommend, therefore, that the limitation be revised to apply only to losses arising from sales of trailers authorized under section 2 and from loan cancellations and interest waivers authorized under sections 3 and 4.

Is my understanding correct that you are advocating to the committee that only those loan applications that have been made for Small Business Administration loans and Farmers Home loans be reimbursed to the disaster victims? You would not take care of the new loans that would be generated because of this legislation?

Mr. STAATS. No, Mr. Gray. This is a matter that Mr. Cramer and I just had an exchange on. It is a drafting point, not a point of substance.

Mr. GRAY. You offer to take care of those new loans generated as a result of that section?

Mr. STAATS. Yes, sir.

Mr. GRAY. I was not clear on that.

Mr. STAATS. Yes, sir.

Mr. GRAY. I thank you very much for your very excellent testimony.

Mr. CLEVELAND. Mr. Chairman?

Mr. GRAY. Mr. Cleveland.

Mr. CLEVELAND. I would like to ask the witness a question about this section of his remarks on page 8 of the statement concerning section 6. I wonder if you can break down the figure of \$70 million?

Mr. STAATS. I have some figures here but I am almost apologetic—

Mr. CLEVELAND. Do you have copies of those figures for us?

Mr. STAATS. What I have here is extremely rough, finished only this morning. I must say they are highly tentative. As I indicated in my statement, we have almost no basis, really, for making a precise estimate. We can make a broad estimate. We are in agreement on the \$70 million. It is in the bill. But when you get down to covering only uninsurable, not insured but uninsurable losses, we are dealing here entirely with floods, wind-driven rains or water. Many houses which are not damaged by wind suffered damage from flood. Where we get into particular difficulty are the damages that result to furnishings, automobiles, tools, and equipment. Things of that kind which may have suffered heavy flood damage but no effect at all as far as wind is concerned. Therefore, we are dealing with a highly speculative estimate here when we talk about a breakdown into different categories.

We have had to rely almost entirely, Mr. Cleveland, on the Red Cross figures as to damages. In the housing category, the number of houses completely destroyed in their estimate is 1,595. Roughly the 1,600 figure which has been used earlier this morning. Those suffering major damage is about 21,500. Minor damages, about 140,000.

We have extrapolated assumptions with respect to the amount of damage in relationship to the \$1,800 in each case. In the case of the houses we have estimated a total loss of \$56 million. That would be covered by this bill. In other words, indemnity or interest waiver in the amount of \$56 million due to damages from uninsurable loss to housing.

With respect to the furnishings, we have had to be pretty arbitrary but we feel a good estimate would be around \$10 million. With respect to trailers, boats, and businesses, there are some 5,000 loss situations here and we have made a similar estimate of \$10 million for that.

In the case of private schools, where the interest waiver alone is involved here, the estimate is about \$500,000.

Mr. CLEVELAND. What?

Mr. STAATS. About \$500,000.

Mr. CLEVELAND. For what?

Mr. STAATS. For the interest waiver alone with respect to loans for school purposes, for the private schools. This would yield an estimate of \$66,500,000, if our assumptions are correct, which is within the \$70 million authorized in this bill.

Mr. CLEVELAND. How much did you have in the houses?

Mr. STAATS. \$56 million.

Mr. CLEVELAND. Also \$10 million for furnishings?

Mr. STAATS. This is plus furnishings in owner-occupied houses. Then the furnishings in non-owner-occupied houses——

Mr. CRAMER. In all three States?

Mr. STAATS. Yes, sir.

Mr. CRAMER. Can you break it down by States?

Mr. STAATS. We have a breakdown, Mr. Cramer, only for the four parishes that were hardest hit in Louisiana and all others are lumped together. We would have to get that additional information.

Mr. CRAMER. Can you submit those for the record?

Mr. STAATS. We will do the best that we can.

(The information follows:)

Red Cross data made available to us October 12, 1965, indicated the following breakdown by States of number of homes destroyed or damaged:

	Total loss	Major damage	Minor damage
Louisiana.....	1,483	21,081	135,961
Mississippi.....	85	107	755
Florida.....	27	355	3,901
Total.....	1,595	21,543	140,616

Damage to boats, trailers, and businesses followed roughly the same pattern. Based on this information, we would anticipate that a very high percentage of the benefits of H. R. 11539 would flow to Louisiana and lesser amounts to Florida and Mississippi, in that order.

Mr. CLEVELAND. I have one other question. I am not sure this witness is the proper witness to ask the question but this is a general question. Is it my understanding that there are studies going on now by various Government agencies to meet this problem on disasters? This is referred to in your statement.

Mr. STAATS. No; I do not think it would be accurate to say that we have anything that could be really labeled a study of this problem today. There was a study that I referred to back in 1957 made by the Housing and Home Finance Agency. There has not really been a careful study of this problem since that time. It is for that reason that S. 408 which passed the Senate, which I mentioned a while ago,

and a similar bill has been reported in the House but nothing through which we feel is necessary to give us the basis for the authority to seek an appropriation for this study.

The \$1,600,000 request has been submitted by the President. It is on the Senate side at the moment.

Mr. CLEVELAND. This will establish a study for ways the Federal Government can assist in disaster situations?

Mr. STAATS. That is the reason, Mr. Cleveland, we feel it is so important to keep section 5 in this bill. There is another broader bill which passed the Senate now before this committee but what we need is authority now so that we would not have a situation a year from now where we are back up here talking about another disaster. We need the authority now and the funds now to go ahead with this study which we estimate can be completed in 9 months so that we can have a proposal back before the next session of Congress on a long-term program.

Mr. CRAMER. Would the gentleman yield?

Mr. CLEVELAND. If the gentleman will wait just a moment.

I still want to ask a question. It is a very general question. Perhaps you will prefer not to answer it. Perhaps somebody on the committee staff or one of the other witnesses can.

I have been told that in some instances, particularly in flood disasters, that there is a tendency for people to go back and rebuild in areas that are predictably going to be subject to flood conditions again. What I am concerned about is whether the Federal Government in attempting to cope with this general program of disasters is making any attempt to keep the predictable exposure limited. In other words, it would not make any sense to rebuild a house in an area predictably subject to being flooded.

I wonder if this concept is being considered by the people that are charged to work in this area?

Mr. STAATS. Yes, sir; this is a very pertinent question. We have a very active program going forward in the TVA area at the moment. The President has asked us to constitute a task force which is now already at work, chaired by Gilbert White of the University of Chicago, assisted by representatives of the Army, Agriculture, Housing, Office of Emergency Planning, and other agencies, specifically looking at this problem right now. We hope to have some legislative recommendations on it for the next session of Congress.

Mr. CLEVELAND. Thank you.

I yield to the gentleman from Florida.

Mr. CRAMER. \$1.6 million is what you say will be needed and has been requested for 3-year storm damage insurance study, right?

Mr. STAATS. Yes, sir.

Mr. CRAMER. Can you estimate what the cost over 9 months of the overall study will be?

Mr. STAATS. Mr. Cramer, I would have to furnish that. I do not have the breakdown on that.

Mr. CRAMER. Is it your intention if this does become law to ask for it this year in the supplemental?

Mr. STAATS. In the last supplemental?

Mr. CRAMER. For enough to carry out both programs?

Mr. STAATS. Right.

Mr. CRAMER. Under section 5?

Mr. STAATS. That is my present understanding. The \$1.6 million, it is my understanding, covers the whole study. I will have to doublecheck those.

Mr. CRAMER. As I recall your testimony you said the \$1.6 million was related to the insurance study. Did I misinterpret that?

Mr. STAATS. I am quite sure it is right but I would like to double-check it.

Mr. KUNKEL. Would the gentleman yield?

If you are going to get in this year's supplemental, Mr. Staats, you better start talking to the Appropriations Committee. I understand that they are trying to brush up and get the supplemental appropriation before the House in the very near future.

Mr. STAATS. Mr. Kunkel, by agreement with Chairman Mahon, this item has been sent to the Senate. I believe the Senate has either held hearings on this particular item or will hold hearings in the next day or so.

Mr. KUNKEL. In other words, you have it underway right now?

Mr. STAATS. Yes, sir. The appropriation request is before the Senate committee at the moment. It would be contingent upon the enactment of section 5 of this bill on the House side. The Senate has already passed a provision identical to section 5 of this bill.

Mr. KUNKEL. Thank you very much.

Mr. CRAMER. Before you do, I want to clear this up. If this bill passes with section 5 intact, it would not be necessary to pass S. 408 to get the authority to make this \$1.6 million study, is that right?

Mr. STAATS. And if the Senate passes this bill. Mr. Cramer, I have the estimate. The amount which is attributable to the 9-month study is \$625,000. The \$1.6 million is for the entire study.

Mr. CRAMER. That request has already been made?

Mr. STAATS. Yes, sir.

Mr. CRAMER. I want to make sure this expenditure authorization in section 6 is understood. I want to make sure we do the job and do it promptly. Your amended language on page 3 of your amendment, section 6, you have a general provision hereby authorizing to be appropriated such sums as are necessary to carry out the purposes. Is it your opinion that that language is necessary? I do not want to get into the question relating to the second clause. Is it necessary in order for the Appropriations Committee to act—which is the subject I discussed with you earlier—to act to increase the appropriations in FHA and Farmers Home Administration?

Is that general language necessary in this bill?

Mr. STAATS. It is our understanding it is.

Mr. CRAMER. Then that is what I wanted to make sure is understood. Without general language relating to authorizing moneys needed to carry out the act, there might be a question as to whether under existing law FHA and Farmers Home Administration would have the authority to go to the Appropriations Committee and ask for extra money, \$25 million FHA and \$35 million Farmers Home Administration pursuant to this act's authorization, is that correct?

Mr. STAATS. I am not sure that it is absolutely required as a technical matter. This is fairly standard language which we have used on many other occasions.

Mr. CRAMER. Protective language to make sure you have that authority if, in fact, they do not have it under existing law?

Mr. STAATS. That is right.

Mr. CRAMER. Regardless of what decision might be made relating to your recommendations limiting this authorization, other than that, through the proviso clause to sections 2, 3, and 4, we should have general language relating to authorization in this section?

Mr. STAATS. Yes, sir, we do.

Mr. CRAMER. One other question.

If, in fact, that general language were included, would any harm be done by reducing the \$70 million figure to \$50 million in view of your estimate of damages between \$20 million and \$70 million?

Mr. STAATS. I would be reluctant to make that recommendation for the reason that I mentioned. It is almost impossible to be very precise.

Mr. CRAMER. \$70 million is the protective maximum amount?

Mr. STAATS. We would so regard it.

Mr. CRAMER. To reduce it to \$50 million, for instance, you would run a risk of not being able to fully carry out the purposes?

Mr. STAATS. That is correct.

Mr. CRAMER. You recommend \$70 million?

Mr. STAATS. Yes, sir. As a maximum, yes, sir.

Mr. GRAY. Any other questions or comments?

If not, thank you very much, Mr. Staats and your assistant.

The next witness will be Mr. Ross B. Davis, Executive Administrator, Small Business Administration.

Mr. Davis, please come forward. We are very happy to see you this morning, Mr. Davis. You may proceed in your own fashion.

STATEMENT OF ROSS D. DAVIS, EXECUTIVE ADMINISTRATOR, SMALL BUSINESS ADMINISTRATION

Mr. DAVIS. Mr. Chairman, I have a prepared statement. It was completed very late this morning. I trust our people have been able to get you copies.

I am extremely happy to appear again before this committee, Mr. Chairman.

You have asked me here today, Mr. Chairman, to discuss a bill, H.R. 11539, for the rehabilitation of those areas of Florida, Mississippi, and Louisiana which were recently ravaged by Hurricane Betsy. Of particular interest to us, of course, are the changes the measure would effect in the disaster loan program conducted by the Small Business Administration under section 7(b)(1) of the Small Business Act. The need for and merits of these proposed changes can best be evaluated against the factual background which gives rise to them.

We have had disasters which ranged over a wider territory than that struck by Betsy. But for the fury of its impact, concentrated largely on a densely populated area, Betsy is probably without parallel. It may well be the worst natural disaster ever to hit the continental United States.

Figures emanating from the insurance industry reflect the magnitude of the destruction. According to authoritative estimates, the insurance loss will reach the vicinity of \$500 million—more than that resulting from the San Francisco earthquake and fire, and more than twice that resulting in 1954 from the combined effects of Hurricanes Carol, Edna, and Hazel.

Some comprehension of the damage can be obtained from examining the estimated figures for the hardest-hit State, Louisiana. In that State alone, insurance claims are expected to exceed 400,000. An American Red Cross survey shows that in Louisiana 1,233 homes were destroyed and 161,586 suffered major or minor damage; 1,800 trailers were destroyed or severely damaged. In addition, some 1,200 commercial and pleasure boats were damaged, sunk or carried off.

So massive a disaster would create widespread human and material damage under any circumstances, in any locale. But the peculiarly poignant aspect of Hurricane Betsy—and the aspect which warrants its treatment as a special case—is the largely uninsured and uninsurable nature of the losses. Information from the Red Cross indicates that, in all, Betsy destroyed or damaged about 165,000 homes. In approximately 55,000 of these cases, water was the sole cause. In a substantial number of the remainder the cause was water and wind combined. These represent partially or wholly uninsurable losses. Just as significant is the fact that this massive loss affecting so many citizens concentrated largely in one area of the State has had a serious impact upon the economic and social foundations of the area.

SBA has responded to the urgencies of the situation. The disaster struck New Orleans on Friday, September 10. Our New Orleans regional office remained open that weekend. On the following Monday we opened our first special disaster office in that city. Since then the number of such offices in the affected areas has grown to 20.

These offices occupy improvised quarters in whatever public buildings may be available—in schools, post offices, courthouses, et cetera. They are staffed by loan specialists, appraisers, attorneys, clerks, and stenographers. These men and women, hired locally or brought in from outside SBA offices, already number 240 persons—and the total may rise significantly.

To date, 5,855 loan applications have been received, mostly from the hard-hit New Orleans area. Our loan specialists have interviewed 16,485 storm victims and have given out 12,891 application forms. Accepted applications call for loans in the aggregate amount of \$42 million to date.

We have approved 1,675 loans for a total of \$7.2 million. The great bulk of these—1,403 loans for \$5 million—went to individuals and homeowners, for an average amount of \$2,700. The remainder, which are being made to business concerns, involve an average amount of \$8,000.

Two important steps have been taken to speed up the processing and disbursement of these loans. First, we have increased from \$1,000 to \$2,500 the maximum amount of a disaster loan which can be made without security. Second, a Treasury disbursing officer has been brought to New Orleans to give borrowers their money on the spot. And I might add that it is a dramatic spectacle to see these emergency loans being disbursed, with a minimum of delay and red-tape and a maximum of compassion and appreciation for the shattering experiences and frequently desperate circumstances of these borrowers.

Before coming to the changes that are being proposed in this disaster loan program, authorized by section 7(b)(1) of the Small Business Act, I would like to give you a brief description of its existing features.

SBA makes such disaster loans at 3 percent interest with maturity up to 30 years. They are available to individuals and homeowners to replace personal belongings and furnishings, and to repair or replace homes. Businesses may use the disaster loans to repair or replace buildings, fixtures, machinery, equipment, and inventory. Private schools, charitable institutions, and churches also are eligible for loans.

There is no statutory on the amount of a loan. It is based on actual physical loss suffered by the victim. Collateral requirements are flexible, although applicants must pledge any collateral they can furnish. As a matter of policy, we have always refused to make loans to those who can obtain the funds on reasonable terms without governmental assistance. But once we determine that an applicant is eligible and is able to offer us reasonable assurance of repayment, we make every effort to assist him in repaying the loan, through statutorily and administratively created techniques such as deferral of principal repayments.

This proposed legislation, recognition of the peculiarly devastating nature of Hurricane Betsy, would direct our agency to go even further in assisting its victims.

The bill would, in effect, add to section 7(b)(1) two new provisions, applicable only to property loss or damage in the States of Florida, Mississippi, and Louisiana resulting from Hurricane Betsy, to the extent that such loss or damage is not compensated for by insurance or otherwise:

1. The first of these, applicable in the case of any loan under section 7(b)(1), would permit the borrower to be relieved of the obligation to pay (a) \$1,800 of the loan, or (b) interest due on the loan in a total amount of not more than \$1,800 over a period not to exceed 3 years. The option would be applicable only to that portion of the loan which exceeds \$500. ✓

2. The second provision is limited to loans made to privately owned schools, colleges, or universities. Such a loan may be made without regard to the normal prohibition against loans to borrowers who can obtain the required funds from private sources. Also, SBA would be specifically authorized to waive interest payments and defer principal payments on such a loan for the first 3 years of its term.

As the Bureau of the Budget points out, the Government must eventually develop a more systematic approach to the problems created by floods and other natural disasters than that represented in H.R. 11539 and in so many similar bills which have preceded it in the past 10 years or so. We cannot continue indefinitely with such piecemeal legislation. In this connection, we look forward to the enactment of the pending proposal to authorize funds for the Housing and Home Finance Administration to undertake an intensive study of this subject. Such a study will evaluate the techniques for and desirability of alternative programs to provide financial assistance for property losses from natural disasters—including but not limited to various types of Federal disaster insurance.

Obviously, however, the exigencies of the situation created by Hurricane Betsy cannot await the attainment of this eventual goal. They require immediate action. Therefore, on an ad hoc basis, and in view of the unusual scope and nature of the losses suffered here, we approve the objectives of the subject bill. Within the limitation of

the time available to study the technique selected by H.R. 11539, we are inclined to the view that it is an appropriate method of achieving those objectives.

We have, however, two objections to H.R. 11539.

First, we concur with the view expressed by the Bureau of the Budget, that this extraordinary relief should not be afforded to borrowers who have suffered losses which might have been insured against. We favor a revision of the language of section 3, to assure that its applicability extends only to losses "resulting from flood, high waters, or wind-driven water." SBA as a matter of policy makes loans available only "to the extent the loss or damage is not compensated for by insurance or otherwise." Accordingly, and since the insertion of such language implies the availability of the provisions of section 3 without regard to the insurability of the loss, we recommend that it be stricken.

Second, it is our understanding that the intent of H.R. 11539 is not to afford discretion to the administration in the amount of the loan to be cancelled (under sec. 2(1)(A)) or the interest to be waived, or the period of waiver (under sec. 2(1)(b)). If this understanding is correct, it would appear that the bill as drafted is subject to a contrary interpretation. We therefore recommend that section 2(1) be redrafted to read as follows:

(1) shall at the borrower's option on that part of any loan in excess of \$500, (A) cancel the remainder of the loan: *Provided, however,* That the total amount of said cancellation may not exceed \$1,800; or (B) waive the interest due during the first three years of the duration of the loan: *Provided, however,* That the total amount of said waiver may not exceed \$1,800; and.

As I say, this is a technical amendment and does not change in substance any of the provisions that we have been discussing here.

Such revisions would preserve the purpose of the provision—to give proportionately greater assistance to the borrowers of smaller sums.

The Bureau of the Budget, in its testimony, has reported that estimates of the loan cancellations and interest waivers which would result from H.R. 11539, if amended to entitle only those requiring an SBA loan to restore uninsurable damage, range from \$20 million to \$70 million. If the legislation were enacted without this amendment, its cost would be substantially more—although how much more I am unable to say.

In addition to interest waiver and loan cancellation costs, it is also necessary for us to consider the effect which this legislation may have on loan demand. Except for the extension of entitlement to certain privately owned schools, colleges, and universities in section 3(2) of the bill, H.R. 11539 does not enlarge eligibility for SBA's disaster loans. However, we are confident that it will increase substantially the number of persons, homeowners, and businesses who apply for our assistance.

No provision is included in this bill to increase the SBA revolving fund authorization to meet this anticipated additional loan demand. Only the experience of the next several months will tell how large an increase would be needed to accommodate demand generated by this bill.

At the present time the agency is in a serious financial situation due to an unanticipated high business loan volume during the first quarter and, of course, the unprecedented disaster loan need. Based

on past experience, \$20 million was appropriated for disaster loan activity for fiscal year 1966.

Mr. KUNKEL. May I interrupt to ask a question?

Mr. JONES. Yes.

Mr. KUNKEL. I would like to know whether this part here starting "that no provision is included in this bill to increase the SBA revolving fund authorization" raises the same point you discussed with Mr. Staats, Mr. Cramer.

Mr. CRAMER. I think it does.

I would like to make sure that he either agrees or does not agree with Mr. Staats so we will know what his opinion is for the need of additional authorization if anything is included in this bill. It is the same point.

Mr. KUNKEL. Thank you.

Mr. DAVIS. Business loans were expected to result in a revolving fund commitment of \$259.6 million. By the end of August, \$31 million had been committed for disaster loans and business loan volume for the period resulted in an unexpectedly high commitment of revolving funds for our regular business loan program.

When it became possible to make early, rough estimates of disaster loan needs for Hurricane Betsy, a disaster loan supplemental appropriation was prepared for transmittal to the Congress. Our estimated disaster loan needs for disasters that had already occurred were in the amount of \$150 million, including \$85 million for Hurricane Betsy. In addition, the original \$20 million appropriation for disasters would have been available for the rest of the fiscal year.

Since \$1,645 million of our current \$1,721 million authorization has already been appropriated, the balance of the authorization now available amounts to only \$76 million. This is the amount of our recent supplemental appropriation request, currently before the House Appropriations Committee.

This year Public Law 89-78 raised from \$341 million to \$461 million the aggregate sum that may be outstanding at any one time for purposes of the small business investment program. For the first time in our history, however, a commensurate increase was not made in our authorization for appropriations to the revolving fund. A recent Senate passed bill (S. 2542) provides for such an increase of \$120 million in our authorization and would thus bring our appropriations authorization in line with our program authority. This matter is now before the House Banking and Currency Committee. Favorable action on this increase in authorization will permit the \$76 million supplemental appropriation now pending before the House Appropriations Committee to be increased.

I believe we will ask for somewhere between \$150 and \$160 million.

I mentioned the \$150 million estimate made more than 3 weeks ago, and the fact that this included \$85 million for Hurricane Betsy. More recent information, including that obtained from a personal assessment of the situation made on my most recent trip to Louisiana, indicates that this estimate may be low. How low, it is impossible to say at this time.

This means that, even assuming favorable action on the authorization and appropriation matters before the Congress, the agency will continue to be in a tight financial situation. It is too early to determine whether the \$120 million increase in authorized appropriations will be adequate to meet our needs arising from Hurricane Betsy.

In any event, however, passage of H.R. 11539 will certainly require a request for an increase in such authorized appropriations in January.

This concludes my formal statement.

Mr. CRAMER. I just want to make sure this point is clarified in relation to the authorization and authority of the agency.

You heard the questions I directed to Mr. Staats, did you not?

Mr. DAVIS. I heard them.

Mr. CRAMER. With the enactment of the bill that has already passed the Senate, S. 2542, providing for a \$120 million increase, you indicate you might be able to get by but it will be tight; is that right?

Mr. DAVIS. Well, what I am attempting to say, it is very hard to put a figure, as we all know, on what the ultimate requirements will be. It is our judgment that if we can get an increased authorization of \$120 million, which is presently pending, and an appropriation of about \$150 million in the supplemental, we will have sufficient funds to carry us through into the next session and then we will review the situation.

Mr. CRAMER. Including your estimate relating to Hurricane Betsy?

Mr. DAVIS. Exactly.

Mr. CRAMER. And including what we authorize under this legislation to Hurricane Betsy?

Mr. DAVIS. Yes.

Mr. CRAMER. And you expect the Congress to act on that \$120 million increase in authorization this year?

Mr. DAVIS. I am hopeful.

Mr. CRAMER. It passed the Senate, and you are making an effort to get it out?

Mr. DAVIS. We are indeed.

Mr. CRAMER. On page 5 of your statement you say there is no limitation relating to privately owned schools, colleges or universities. I think this should be in the record—you now have such authority to make loans to privately owned schools, colleges, or universities.

Mr. DAVIS. That is correct.

Mr. CRAMER. There is no reason for us to get involved in the question as to whether this is the proper function for private schools? That is all right in the law?

Mr. DAVIS. That is in the law. We have done this in the past.

Mr. CRAMER. What we are talking about is, the authority to waive interest, or defer principal.

Mr. DAVIS. We are also talking about——

Mr. CRAMER. The availability of other private sources?

Mr. DAVIS. Right.

Mr. CRAMER. One thing we are talking about is the waiver of interest and deferral of principal. Do you have either of those authorities today?

Mr. DAVIS. We have the authority to defer payment of principal.

Mr. CRAMER. Right.

Mr. DAVIS. We do not have the authority to waive interest.

Mr. CRAMER. That is what I understand. The reason I asked the question is, is your authority to defer limited at this time to 3 years as this bill would limit it?

Mr. DAVIS. No, it is not. We can go to 5 years.

Mr. CRAMER. That is the reason I raise the point. Relating to deferral of principal, this would, in effect, be writing in a more limited authority than you exercise today?

Mr. DAVIS. I think this question, which is essentially one of statutory interpretation, is a very pointed one.

Mr. CRAMER. As I understand, in addition, regarding this provision relating to privately owned schools and colleges, you could do both during the 3-year period, defer principal and waive interest.

Mr. DAVIS. Yes.

Mr. CRAMER. Therefore, could this be interpreted, in doing both, the limitation and deferral was 3 years, but if you do just the deferral you can do it under your present authority of 5 years? Do you see my point?

Mr. DAVIS. I see your point very well. I have just been put back on the correct track by our lawyers.

Mr. CRAMER. I did not mean to get you off.

Mr. DAVIS. They remind me that the deferment of principal under our act is specified as applicable to homeowners and small businesses, therefore, my statement——

Mr. CRAMER. This is new authority?

Mr. DAVIS. This is new authority.

Mr. CRAMER. Let me ask the question this way: Relating to homeowners and deferral, what authority, timewise, do you have for such deferrals?

Mr. DAVIS. Up to 5 years.

Mr. CRAMER. Then is writing a 3-year provision into this a greater limitation than what you have today?

Mr. DAVIS. Of course, the bill which is pending before us makes no mention of deferral of principal in this context. Therefore I would take it we would have a free hand and we would do whatever was appropriate based on need.

Mr. CRAMER. So what you could do is waive the interest and principal up to \$1,800 for a 3-year period and then carry it beyond for 2 years for deferral of principal if you saw fit?

Mr. DAVIS. If this were necessary.

Mr. CRAMER. So this fits into the present authority?

Mr. DAVIS. I see no problem on that. SBA has broad discriminatory authority on deferrals of principal and interest.

Mr. CRAMER. You referred to a proposed amendment on page 7. I want to make sure that I understand what you are getting at.

As you read the present language on page 2, line 19, as I gather your testimony on page 7, what you are saying is that the wording "cancel up to \$1,800 of a loan" could be read to give you discretion to, in effect, decrease whatever the borrower's option might be if you saw fit to do so. ✓

Mr. DAVIS. This is a problem our lawyers see.

Mr. CRAMER. Therefore your redrafting is intended to conform to what you think we are proposing, and that is, that if a borrower asks for \$1,800, the agency must give it to him, providing he meets the other tests?

Mr. DAVIS. Exactly.

It seems to me, Mr. Cramer, this should be phrased in some other fashion. We thought there was some ambiguity.

Mr. CRAMER. You do not want to have to exercise discretion, loan by loan, that it is \$1,500 that the borrower asks for, or \$1,200 based upon other considerations?

Mr. DAVIS. I would not like to exercise discretion in this respect. It is my understanding that the committee does not intend discretion.

Mr. CRAMER. If we put such language in the report, would that be sufficiently directive to you in carrying out your responsibilities?

Mr. DAVIS. Yes, indeed.

Mr. CRAMER. I would recommend that we give that consideration, Mr. Chairman.

I was interested in your comment on page 3. You realize I am asking these questions partially because SBA does not hardly come before this committee, therefore, I want to make sure I understand this. It is not necessarily expected this committee should be an authority on this subject.

In the last paragraph, page 3:

We have increased from 1,000 to 2,500 the maximum amount of disaster loans that may be made without security.

Is there anything in the legislation limiting what your maximum can be today?

Mr. DAVIS. No. This is purely administrative, and we did this because of the large numbers of loans under \$2,500 and the need for expeditious handling.

Mr. CRAMER. Is this language providing that the waiver shall affect only loans in excess of \$500 a reasonable provision?

Do you think that figure is reasonable?

Mr. DAVIS. Based from our systems handling this kind of transaction, I have no particular problem with that \$2,500 figure.

Mr. CRAMER. You said you would have 1,675 loans presently approved. You have application for 5,855 filed with you.

Do you have any breakdown of that number how many would be excluded from this waiver provision with the \$500 limit set?

Mr. DAVIS. No. The only breakdown we have is loans over and under \$2,500 pending.

Mr. CRAMER. Is there any way of estimating how many people in effect would thus be deprived of the benefits of section 3 with the \$500 limitation?

Mr. COWLES. I would guess that the majority are over \$500. At the present time we have in applications received to date 2,792 in the \$2,500 and under category. I would guess that the large majority are in excess of the \$500.

Mr. CRAMER. Senator Long made the suggestion, and all I am looking for is information. Where this would come into effect would be in loans in excess of \$200, but limiting the waiver to \$1,500. What would be the effect of that proposal?

Mr. COWLES. This would be a help to those who were penniless and were borrowing funds for replacement of furniture and personal effects.

Mr. CRAMER. Can you estimate how much increased cost would result from doing that, increased cost to the Federal Government?

Mr. DAVIS. We considered that yesterday. After a lot of profound work, we decided we could not make any estimates in changes in cost on the basis of that change.

Mr. CRAMER. What was your answer?

Mr. DAVIS. We cannot speculate on the cost of going to Senator Long's—

Mr. CRAMER. Is it your opinion that it would substantially increase the cost of the bill?

Mr. DAVIS. No, we do not think so with this proviso—that we do not know the extent to which this proposal, whether it is the proposal as presently proposed before us or a variation, as suggested by Senator Long, will stimulate applications that would not otherwise come in to us. This is just something that we can only speculate about. We have no basis for making a judgment.

We can say that it will increase the application rate in an unspecified amount.

Mr. CRAMER. I think it is obvious it would increase the applications from those with from \$200 to \$500 losses.

Mr. DAVIS. That is correct.

Mr. CRAMER. But there is no way you can estimate the amount of money that would involve?

Mr. DAVIS. No.

Mr. CRAMER. In other words, would that break through the \$70 million authorization limit in the bill?

I do not want to destroy the bill by changing the provisions from the present authorization and estimate.

Mr. DAVIS. It is our judgment at this time that the impact of that would not be very substantial because we are dealing in very small sums of money.

Mr. CRAMER. It is quite obvious it is not possible by testimony or facts to establish this one way or the other. Your associate indicated there was a substantial portion of the present number of loan applicants that would be less than the \$2,500 figure, but what portion of them would be between the \$200 and \$500 figure you just cannot say?

Mr. DAVIS. No, we cannot at this time.

Mr. CRAMER. I think it is obvious the result would be some increase in cost.

Mr. DAVIS. No question, but our best judgment is that the increase in cost would not be substantial.

Mr. JONES. Thank you very much.

Mr. SWEENEY. I would like to ask a couple of questions on the point raised by Mr. Cramer.

I am thoroughly confused by your statement that the agency would not welcome the writing into the bill any discretion on the part of the Administrator to approve or disapprove of the remission of the repayment for this \$1,800, as provided by section 3, page 2.

If as an agency you do not wish to exercise this discretion, then in the alternative is it not wise to establish some standards to determine the eligibility of someone for the relief from repayment as provided by the bill?

Mr. DAVIS. Well, Mr. Sweeney, all I meant to say was, in effect, that trying to exercise some discretion as to whether a man should get \$1,800, or \$1,500, or \$1,200 on the basis of need, or whatever standard someone might think of, would be extremely difficult for the obvious reasons.

Mr. SWEENEY. Yes.

Mr. DAVIS. For this reason, I do not say we cannot live with a provision of this nature, but we would not recommend it.

Mr. SWEENEY. Mr. Davis, I want to make myself perfectly clear. I am in accord with Senator Long and Mr. Boggs' recommendation here this morning to the committee that we ought to do some little thing to help the fellow less able to help himself to get back on his

feet. I am, in fact, eager to vote for a bill that would have that effect, but I think section 3 could be very poorly written when you are providing that in cases of uninsured risks where there is no insurance coverage, or if the property is uninsurable, you are going to provide in such a large number of cases for this remission to become effective at the borrower's option in the absence of standards or anything else.

How about the fellow who has \$50,000 in cold cash in the bank, but has not seen fit to insure his property? Can he come to SBA under this provision and expect to get approval of the \$2,500 loan?

Mr. DAVIS. I do not know whether this response will help you.

We make a judgment, or try to make a judgment, on each individual loan that the borrower does not have the resources to defray these losses.

Mr. SWEENEY. May I interrupt you there and ask you, would you be agreeable to write that into section 3, that the Administrator is a prospective borrower to determine whether or not he has resources to take care of his losses as a condition precedent to the granting of the loan?

Mr. DAVIS. Let me explain further and we will see where we come out. This is our policy today, and regardless of the changes made by this legislation, we will not make a disaster loan to someone who does not need the money. We try to identify people who do not need the money, either because they have it, or can get it on reasonable terms. So we are, in effect, already doing this.

If you want us to make a judgment among those people who we feel need a disaster loan, which ones should get the remission feature, this is slicing that onion pretty thin, quite candidly.

We, of course, will do our best with any legislation we get from the Congress. But it seems to me that this is placing the kind of burden on us that would be extremely difficult for us to discharge in a rational and effective way.

Mr. SWEENEY. If you can make a determination as to the need originally, is it not also possible for your agency to make a determination as to the need for remission, or relief from repayment?

Mr. DAVIS. It is just a question, Mr. Sweeney, of how to find the process you want us to go by.

Mr. SWEENEY. This is my question: How far do you think you ought to spell out into the act some standard before you invoke this provision that is suggested here in this legislation to relieve that \$1,800?

I am not thinking in terms of the fellow who comes in and wants a \$500 loan. I am thinking in terms of a fellow who goes to SBA and gets \$2,500 and gets \$1,800 of it remitted and is relieved of the obligation of repayment in contrast to the fellow who has to go out in the open market, borrow the \$2,500 and pay every cent of it plus interest back.

Mr. DAVIS. In the absence of an opportunity to reflect on this, my offhand reaction is we should not try to make these distinctions, we would not do a good job on it. It is a tremendous administrative burden and more inequities would result than equity in the sense of achieving what you would be after by putting that provision in.

Mr. SWEENEY. I might say that, because of the particular uniqueness of this legislation, because of the regional aspects, that it only has application in 3 States of the 50, I would say that it might be in

the interest of the Administration to be careful in spelling out the fact that precautionary measures were going to be taken, that standards were going to be established, because I am afraid if we bring this measure to the floor in the absence of very clear standards clearly spelled out, the whole idea of this remission clause may be well misunderstood and it might be fatal to the original purpose we have here, and that is to give the deserving affected by this storm some material assistance.

Mr. DAVIS. I appreciate your statement. I would like to say that the basic standard that guides our disaster programs is a judgment as to the need, and without the need, you do not get the loan.

You have a weeding-out process as part of the program. This weeding-out process would be incorporated and applied to the provisions of this bill as far as the overall system of operation is concerned.

Mr. SWEENEY. We are talking about the poor fellow who did not insure his property, or could not procure proper insurance, but we are starting not as you suggest, with the idea of protecting people without resources. That is why I am suggesting perhaps something should be written into the bill that would make it clear that this provision of remission is directed to the people without resources.

Mr. CRAMER. Just one brief question. The classical example of the maximum benefits would be the case where a person would request a loan somewhere above \$2,300 and in order to get the \$1,800 waiver would pay the \$500?

Mr. DAVIS. Yes.

Mr. CRAMER. But I assume that you would look with some question on a request for a loan in the amount of exactly \$2,300?

Mr. DAVIS. It would raise—

Mr. CRAMER. Would raise your eyebrows and you would not let somebody designedly get maximum benefits from this knowing that his purpose is to flaunt what we are trying to do?

Mr. DAVIS. Perhaps I could set your mind at rest, at least to this extent, on that particular issue. I would not suggest that every application that comes in to us—and we are dealing with tens of thousands of applications in this disaster—is gone over with a fine-tooth comb. However, we have a staff of appraisers, we have maps that mark out the areas, we know the characteristics of the neighborhood, and we know the typical resources of the people who reside in those neighborhoods, and we process our loans with those considerations in mind. The ones that seem out of line—and it might be the \$2,300 one or it might be some other—then we send our appraisers out to investigate.

Mr. CRAMER. If someone of median income said he had three suits of clothes worth \$300 apiece, you would question that?

Mr. DAVIS. That is correct.

Mr. JONES. Thank you very much.

Could the committee return at 3 o'clock?

Mr. CRAMER. Mr. Chairman, I had hoped we could continue the questioning of these other witnesses.

Mr. KUNKEL. I would suggest we come back immediately after the final vote on the sugar bill.

Mr. JONES. It might be a little later than 3 o'clock. We will continue until the bell rings.

The next witness is Mr. Milton P. Semer, Deputy Administrator and General Counsel of the Housing and Home Finance Agency.

**STATEMENT OF MILTON P. SEMER, DEPUTY ADMINISTRATOR,
HOUSING AND HOME FINANCE AGENCY**

Mr. SEMER. Mr. Chairman, with your permission, since my statement covers only section 5 of the bill which relates to a subject I understand one of your subcommittees will go into, I would like permission just to file the statement.

Mr. JONES. The statement will be received.

(The following statement was submitted for the record:)

**STATEMENT OF MILTON P. SEMER, DEPUTY ADMINISTRATOR, HOUSING AND HOME
FINANCE AGENCY**

Section 5 of this bill would authorize the Secretary of Housing and Urban Development to undertake an immediate study of alternative programs which could be established to help provide financial assistance to those suffering property losses and flood and other natural disasters, including alternative methods of Federal disaster insurance, as well as the existing flood insurance program. The Department would be required to report its general findings and recommendations to the President for submission to the Congress not later than 9 months after the enactment of this act or the appropriation of funds for this study, whichever is later. However, the Department would be allowed 3 years in which to report to the President its findings and recommendations on earthquake insurance.

Other provisions of this bill will provide immediate benefits to the victims of the recent hurricane, floods, and high waters in Florida, Mississippi, and Louisiana.

The studies authorized by section 5 are necessary to permit the development of an equitable and permanent program for protection against the losses caused by major natural disasters.

As most of the members of this committee know, after the disastrous floods in New England in 1955 and in the Far West in the early part of 1956, the Congress enacted the Federal Flood Insurance Act of 1956, which authorized several programs to provide financial relief for those suffering property losses from floods. The Housing and Home Finance Administrator, who was authorized to administer the act, established the Federal Flood Indemnity Administration as a constituent unit in the Housing and Home Finance Agency to plan these programs.

The plan of operations for the programs authorized was presented to the Congress in 1957 in the form of a request and justification for operating and administrative funds necessary to carry out the program of federally subsidized flood insurance authorized by the 1956 act. The Congress, however, refused to appropriate the funds requested.

It is now obvious that one of the major problems in the development of an effective flood insurance program, acceptable to the Congress, is the formulation of a schedule of estimated rates adequate to pay for all claims for probable losses over a reasonable period of years. If rates are established scientifically, that is, on the degree of exposure to flood risk, the rates will be so high for those on the flood plains and exposed coastal areas who need protection most, that the policies would generally not be marketable.

On the other hand, if the rates were established on a more or less uniform basis, with no variation for flood risk, the program would be faced with "adverse selections." That is, insurance would be sold in flood plains and exposed coastal areas but not in other areas. This would make the insurance uneconomic.

The study authorized by section 5 of this bill would include the development of estimated rates for selected pilot areas, and determinations of the feasibility and the comparative costs of insurance as well as alternative noninsurance plans. The study would also provide for research on the legal authority for State financial participation, and on the feasibility of Federal flood plain zoning for the purpose of selecting areas which may be excluded from insurance coverage.

The proposed study has been explored in a number of meetings with other interested Federal agencies. Areas with differing characteristics have tentatively been selected for study. Each area is subject to different sources of flooding or contains different kinds of properties which are subject to flooding. It is esti-

mated that this flood insurance study would require about 9 months to complete and cost about \$625,000. Substantially more than one-half of the cost would be to reimburse the Corps of Engineers for obtaining the basic data needed from field surveys in each of the selected areas.

The principal factors involved in conducting a study on earthquake insurance have been explored with several Federal agencies, particularly the Coast and Geodetic Survey of the U.S. Department of Commerce. The Survey has indicated that the principal gap in knowledge is the effect of earthquakes upon different soil formations. The extent of damages to properties may vary considerably depending upon the response of different soils to earthquake actions. In order to meet this problem, it will be necessary to install special seismic instrumentation to record information about geologic foundation factors when earthquakes occur. This phase of the study would require about 3 years to complete. The Survey would also assemble and evaluate information about past earthquakes, and prepare probability estimates of the occurrence of earthquakes.

Six areas would be selected for study and the total cost of the study is estimated roughly at about \$975,000, of which about \$800,000 would be to reimburse the Coast and Geodetic Survey for their fieldwork.

Proposed supplemental appropriations for the fiscal year 1966 include \$1,600,000 to finance these studies upon enactment of the substantive authorizing legislation.

Mr. SEMER. I think the factual information our Agency has developed has been made available to the other witnesses who have already put it in the record.

Finally, Mr. Chairman, I would like to express the appreciation of our Agency for being asked to participate in the survey of the disaster on the scene. We found it very helpful in discovering what the realities are in a disaster of this sort, which made it possible for us to review our legislative authority and find some of the limitations.

Mr. JONES. Thank you very much.

Any questions?

The next witness is Jack Frost, Administrator of the Farmers Home Administration.

STATEMENT OF JACK FROST, DIRECTOR, EMERGENCY LOANS, FARMERS HOME ADMINISTRATION, DEPARTMENT OF AGRICULTURE

Mr. FROST. Mr. Chairman and members of the committee, I was at your hearings in both New Orleans and Baton Rouge and filed a statement with you stating what the Farmers Home Administration is attempting to do in the 50 parishes in which we are making emergency loans in Louisiana. In addition to that, we are in two counties in Florida, which would be affected by this bill.

Other than that we do not have a prepared statement. We are here today primarily for the purpose of answering any questions that you or any member of the committee may have, except I would like to comment briefly on section 4 of the bill.

Actually, I did not have an opportunity to read section 4 in its present form until after I arrived here this morning. There are a few questions that we have which would enter into an administration of this section, and I mention this merely in the hope that the committee report will have some language which would express intent and which would be helpful to us in administering the section.

No. 1, and very important, is whether the provision with regard to ability to obtain credit from other sources would apply to all loans made in the area or just to loans in which there would be a cancellation of waiver or interest.

We assume from Congressman Willis' testimony and the response to it that it is the intent of section 4 to apply to all loans made in the area. It would be helpful to us, if this bill is enacted, if the committee's report would be specific as to the intent in this regard.

Going to the second point, it has been——

Mr. JONES. Mr. Frost, I wonder if you could make arrangements with the staff to submit to the staff the type of language you refer to?

Mr. FROST. I will be glad to, and it will not be necessary to go further here now, then.

Mr. JONES. Go ahead with your second point.

Mr. CRAMER. May I ask questions on point one?

As you read the language presently in lines 15 and 16 on page 3, "without regard to whether the required financial assistance is otherwise available from private sources" you believe that should be applicable—of course, we are talking about new money, right?

Mr. FROST. To all loans made in those parishes and counties.

Mr. CRAMER. That have been designated as disaster areas?

Mr. FROST. Emergency areas, yes.

Mr. CRAMER. You mentioned two counties in Florida. What two?

Mr. FROST. Dade and Monroe.

Mr. CRAMER. Do I understand, then, that no county that has been so designated can qualify even though they had such damage outside of Dade and Monroe? They qualify for your disaster loans now without this legislation?

Mr. FROST. No one outside could qualify even if this bill is passed except we do have authority to make emergency loans outside designated areas when only a small number of farmers are affected by the disaster. I do not think that would apply in the case of Betsy.

Mr. CRAMER. Have there been requests outside of Dade and Monroe Counties in Florida?

Mr. FROST. No. The surveys indicated the primary damage was in Dade County and some damage in Monroe County.

There are two factors in making emergency loans available. One is damage caused by a natural disaster; and the other is the availability of credit to take care of the need caused by the natural disaster.

Mr. CRAMER. Of course, that need would be stricken out by this clause?

Mr. FROST. It would not on the designation of the area. This relates to an applicant's ability to obtain credit. The other relates to the Secretary of Agriculture's designation, and he takes into consideration whether the available credit institutions can meet the need.

Mr. CRAMER. If this bill becomes law will he change the policy relating to designation?

Mr. FROST. No, not at all.

Mr. CRAMER. Would you include in the record the counties and parishes designated?

Mr. FROST. Yes. The reports I filed in Louisiana include those 50 parishes and Dade and Monroe Counties.

Mr. CRAMER. What about Mississippi?

Mr. FROST. We have none in Mississippi. Our survey did not indicate any need in Mississippi.

Mr. CRAMER. As you would interpret this, this waiver of available private resource capital loan money would apply to all loan applications whether they ask for a waiver or not?

Mr. FROST. We are suggesting that the committee's report tell us what the intent really is.

Mr. CRAMER. What do you think it should be?

Mr. FROST. Well, the discussions that we had on it indicated that it would apply to all loans. These were the discussions we had on this situation leading up to some particular bill.

Mr. CRAMER. You have a need test in your applications too, do you not?

Mr. FROST. Yes.

Mr. CRAMER. So we are talking about only where a person has a need, No. 1; and a county designated as a disaster area, No. 2.

Mr. FROST. Yes.

Mr. CRAMER. That is under present law?

Mr. FROST. Yes.

Mr. CRAMER. And now we would be talking about two other aspects: That they need not show private source funds are not available; then you get the fourth classification of those who presently have loans or want to make new loans who want to take advantage of the waiver provision.

Mr. FROST. That is correct. We are trying to determine exactly what the committee has in mind.

Mr. CRAMER. Do you agree with SBA that you feel you should not be injected in a policy determination relating to each loan as to whether the waiver should take place?

Mr. FROST. The waiver of interest? As I interpret section 4 and section 3, there is a portion of the sentence that would cover it. As I interpret it, it says, "to the extent such loss or damage is not compensated for by insurance or otherwise."

Mr. CRAMER. That is not the point I make; "at the borrower option", is the point I am making. Do you interpret that to mean if the borrower wants \$1,800 waiver you give it to him?

Mr. FROST. If I had before me an application from a farmer showing he had a \$1,200 loss, for example, I think this portion of the section would restrict me to \$1,200 in that particular case. If I am wrong about that—

Mr. CRAMER. I want to be sure we understand each other. If a man asks for a \$1,600 cancellation under clause (1), he exercises his borrower's option for that amount, and he has an outstanding loan and is in a disaster county, you have already decided he has a need. Do you think you would have any discretion to reduce that amount?

Mr. FROST. I think I have a discretion and a responsibility—the lawyer is shaking his head—if he has not had \$1,600 losses.

Mr. CRAMER. He has to have the loss and it has to be uninsured?

Mr. FROST. And he proves \$1,600 loss?

Mr. CRAMER. Yes.

Mr. FROST. No, I would not have any discretion there.

Mr. CRAMER. Do you want any discretion?

Mr. FROST. I assume there is no basis for a discretion within the intent of this bill. If he had a \$1,600 loss it is the intent to cancel that amount.

Mr. CRAMER. The language is "up to". You understand his option could be up to \$1,800?

Mr. FROST. I think it would be related to the sentence before that, "to the extent such loss or damage is not compensated for by insurance or otherwise".

Mr. CRAMER. All right.

Mr. KUNKEL. Mr. Chairman, why does not the Administrator bring in language that he thinks should be put in the report and have the staff go over it?

Mr. FROST. The chairman suggested that, sir.

Mr. KUNKEL. I think that should be done promptly so the staff can go over it and we can consider it in executive session.

Mr. FROST. I think that is a good suggestion.

The next two points would be the extent to which we would establish guidelines in determining if it is a millionaire or a person of less wealth.

Mr. CRAMER. If he is a millionaire, as I understand you would not make a loan to him in the first place.

Mr. FROST. If this is removed, actually we could.

Mr. CRAMER. There has to be a need on the part of the applicant?

Mr. FROST. There has to be a need he cannot meet with his own resources or reasonably from other resources.

Mr. CRAMER. Is your present loan policy for disaster purposes limited to flood, high waters, or wind-driven water or uninsurable crop loss?

Mr. FROST. No. As I understand, those standards are set down for the cancellation or the waiver of interest in section 4.

Mr. CRAMER. It describes specifically the type of loss?

Mr. FROST. That is right.

Mr. CRAMER. Do you agree with that description?

Mr. FROST. We understand it thoroughly and will certainly administer it according to this section.

Mr. CRAMER. We include wind damage under SBA but not under your section?

Mr. FROST. As I said, we only got this this morning. I have been looking the entire time at section 4. We have talked the entire time in our discussions on this about water damage, flood damage, and high waters or wind-driven water, but not wind damage itself. Under present law we can make a loan—a loan, now—because of any of these kinds of damages, but we have no right to make these cancellations or waiver of interest.

Mr. CRAMER. You have a right to make loans up to 80 percent of the loss?

Mr. FROST. Under present authority?

Mr. CRAMER. Yes.

Mr. FROST. No. That is under the ACP program administered by the Agricultural Stabilization and Conservation Service and not by the Farmers Home Administration.

Mr. CRAMER. What do they do, make up 80 percent of the loss relating to what?

Mr. FROST. They cooperate in restoring farm real estate. As I understand it—and I would not want to speak for them—the farmer puts up 20 percent and the Government puts up 80 percent, usually with a restriction as to the total maximum amount the Government will put up.

Mr. CRAMER. That is for restoration purposes?

Mr. FROST. Yes.

Mr. CRAMER. That is a loan?

Mr. FROST. That is not a loan, it is a grant.

Mr. CRAMER. A grant?

Mr. FROST. Yes.

Mr. CRAMER. So this would have no application to it?

Mr. FROST. No, except we could loan the farmer the 20-percent part he has to put up to match the 80 percent.

Mr. CRAMER. You can do that now?

Mr. FROST. Yes.

Mr. CRAMER. And the waiver could apply to the 20 percent?

Mr. FROST. If he was not compensated in any way for it, under this clause up here; yes, sir.

Mr. CRAMER. That is all.

Mr. JONES. Anything further?

Thank you very much.

The committee will adjourn until 3 o'clock this afternoon.

(Thereupon, at 1:10 p.m. the committee recessed until 3 p.m. of the same day.)



LEGISLATIVE HISTORY

Public Law 89-339
H. R. 11539

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INDEX AND SUMMARY OF H. R. 11539

Oct.	1, 1965	Sen. Long, La. introduced and discussed S. 2591 which was referred to the Senate Public Works Committee. Print of bill and remarks of author.
Oct.	12, 1965	Rep. Fallon introduced H. R. 11539 which was referred to House Public Works Committee. Print of bill as introduced.
Oct.	13, 1965	House committee reported H. R. 11539 without amendment. H. Report No. 1164. Print of bill and report.
Oct.	18, 1965	House passed H. R. 11539 under suspension of the rules.
Oct.	19, 1965	H. R. 11539 was referred to Senate Public Works Committee. Print of bill as referred.
Oct.	20, 1965	Senate committee reported H. R. 11539 without amendment. S. Report No. 917. Print of bill and report.
Oct.	21, 1965	Senate passed H. R. 11539 without amendment.
Nov.	8, 1965	Approved: Public Law 89-339.

DIGEST OF PUBLIC LAW 89-339

SOUTHEAST HURRICANE DISASTER RELIEF ACT OF 1965.

Authorizes Federal assistance to Florida, Louisiana, and Mississippi for reconstruction of areas damaged as a result of Hurricane Betsy in 1965. Authorizes the Farmers Home Administration to loan to farmers suffering uncompensated loss and damage by water losses from Hurricane Betsy without regard to their ability to get loans from other sources and to cancel up to \$1,800 in interest or principal payments on such loans to replace uninsured losses resulting from flood, high waters or wind-driven water or uninsurable crop loss caused by the hurricane. Provides that the Secretary of Housing and Urban Development shall undertake a study, and report later to the President, of alternate programs to help provide financial assistance to those suffering property loss from floods and other natural disasters. Authorizes the appropriation of not to exceed \$70 million to carry out the provisions of the act.

89TH CONGRESS
1ST SESSION

S. 2591

IN THE SENATE OF THE UNITED STATES

OCTOBER 1, 1965

Mr. LONG of Louisiana (for himself and Mr. ELLENDER) introduced the following bill; which was read twice and referred to the Committee on Public Works

A BILL

To amend the Act of September 30, 1950, as amended (42 U.S.C. 1855-1855g), which relates to Federal assistance in major disasters, to provide assistance for property damaged as a result of Hurricane Betsy, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That (a) section 3 of the Act entitled "An Act to authorize
4 Federal assistance to States and local governments in major
5 disasters, and for other purposes", approved September 30,
6 1950, as amended (42 U.S.C. 1855-1855g), is amended
7 by—

8 (1) inserting "(a)" immediately after the section
9 designation; and

1 (2) adding at the end thereof the following new
2 subsection:

3 “(b) Not to exceed \$5,000 of the borrowers obligation
4 under any loan made pursuant to paragraph (1) of section
5 7 (b) of the Small Business Act, as amended (15 U.S.C.
6 636 (b)), shall be canceled whenever such loan is made for
7 the repair or replacement of uninsurable property damaged
8 or lost as the result of the major disaster commonly known as
9 Hurricane Betsy.

10 (b) Section 302 of the Consolidated Farmers Home Ad-
11 ministration Act of 1961 (7 U.S.C. 1922) is amended by—

12 (1) inserting “(a)” immediately after the section
13 designation; and

14 “(b) (1) Notwithstanding the provisions of paragraph
15 subsection:

16 “(2) (1) Notwithstanding the provisions of paragraph
17 4 of the preceding subsection, the Secretary is authorized to
18 make loans, under rules and regulations prescribed by him,
19 to any farmers and ranchers referred to in the preceding sub-
20 section for the repairs or restoration of rural dwellings, ap-
21 purtenances, furnishings, buildings and equipment used in
22 connection with agricultural, livestock, or oyster production
23 or products, for livestock and equipment losses, and for crop
24 damage. The value as determined by the Secretary not to
25 exceed the normal yield was the actual yield of acres har-

1 vested or which would have been harvested damaged as a
2 result of the major disaster commonly known as Hurricane
3 Betsy. The loans made pursuant to this paragraph shall
4 be on such terms and conditions as the Secretary shall pre-
5 scribe, except that (i) the interest rate shall be 3 per centum
6 per annum and (ii) the period of repayment of such loans
7 shall not exceed thirty years.

8 (2) Not to exceed \$5,000 of the borrower's obligation
9 under any loan made pursuant to this subsection shall be
10 canceled whenever such loan is made for damages resulting
11 from the major disaster commonly known as Hurricane
12 Betsy.

13 (c) Section 3 of the Act entitled "An Act to authorize
14 Federal assistance to States and local governments in major
15 disasters, and for other purposes", approved September 30,
16 1950, as amended (42 U.S.C. 1855-1855g) is amended
17 by—

18 (1) inserting "(a)" immediately after the section
19 designation; and

20 (2) adding at the end thereof the following new
21 subsection:

22 "(b) The assistance provided pursuant to the preceding
23 subsection shall include the restoration and permanent re-
24 placement of public facilities and the facilities, equipment,
25 and materials of elementary and secondary schools and in-

stitutions of higher education damaged as the result of the
major disaster commonly known as Hurricane Betsy.”

SEC. 2. The amendments made by this Act shall be ap-
plicable with respect to loans made on or after September 7,
1965.

77TH CONGRESS
1ST Session

S. 2591

A BILL

To amend the Act of September 30, 1950, as amended (42 U.S.C. 1855-1855g), which relates to Federal assistance in major disasters, to provide assistance for property damaged as a result of Hurricane Betsy, and for other purposes.

By Mr. LONG of Louisiana and Mr. ERLENDER

OCTOBER 1, 1965

Read twice and referred to the Committee on Public
Works

Mr. LAUSCHE. Mr. President, I yield the floor.

ORDERS FOR RECESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that upon completion of its business today, the Senate stand in recess until 12 o'clock noon next Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR THE SECRETARY OF THE SENATE TO RECEIVE MESSAGES FROM THE HOUSE OF REPRESENTATIVES AND FOR THE VICE PRESIDENT TO SIGN BILLS DURING RECESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to receive messages from the House of Representatives and that the Vice President be authorized to sign bills during the recess of the Senate until Monday, October 4.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE PROGRAM—REPEAL OF SECTION 14(b) OF THE NATIONAL LABOR RELATIONS ACT, AS AMENDED

Mr. MANSFIELD. Mr. President, it will be necessary for me to be with the President in New York City on Monday next in connection with certain international events which are transpiring in that city. It had been anticipated that Calendar No. 680, H.R. 77, would be called up on Monday, but in view of the statement which I have just made, I think it is proper, with the distinguished minority leader [Mr. DIRKSEN] present, to move at this time, and I do move, that Calendar No. 680, H.R. 77, be laid before the Senate and made the pending business.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. Calendar No. 680, a bill (H.R. 77) to repeal section 14(b) of the National Labor Relations Act, as amended, and section 703(b) of the Labor-Management Reporting Act of 1959 and to amend the first proviso of section 8(a)(3) of the National Labor Relations Act, as amended, reported from the Committee on Labor and Public Welfare with amendments.

The PRESIDING OFFICER. The question is on the motion of the Senator from Montana to proceed with the consideration of the bill.

Mr. DIRKSEN. Mr. President, the majority leader put that in the form of a motion, and did not ask unanimous consent for immediate consideration. Had he done so, I would have had to object.

I shall have to combat the motion, of course, and ask for a live quorum call at this time, in the belief that we should not undertake this venture until Monday next. I am prepared to do that, un-

less, by prearrangement, we can make this the pending business for Monday, so that the motion will be debatable the moment the Senate comes into session, and that a morning hour may be had only by unanimous consent, and that speeches made can be qualified so that they will not embrace any kind of motion.

I should have no objection to a morning hour on that basis. If the bill is made the pending business, it will be subject to debate. I believe that under the rule, if the Senate adjourned as of tonight, for the 2 hours up until 2 o'clock, on Monday if the bill were called up on the morning hour, it would not be debatable, and therefore we would lose an advantage, I am sure.

I request that the distinguished majority leader clarify his position on that point.

Mr. MANSFIELD. Mr. President, it was not the intention of the Senator from Montana to use the procedural device which is open to the leadership through the calling up of this measure during the morning hour. It was thought advisable to call it up after the morning hour, as we are doing this afternoon, and as we shall do on Monday, so that Senators will be prepared and will know where we stand.

I agree with the distinguished minority leader that there should be a morning hour on Monday after the prayer is rendered, and the Journal considered as read, so that Senators who have statements to make may do so, and if there is a possibility of any unobjectioned-to items on the calendar being considered, that can be done.

I further agree with the distinguished minority leader when he says that at the conclusion of the morning hour, the motion now pending would still be considered pending at that time; and it is for that reason, in effect, that I requested that when the Senate completes its business today, it stand in recess rather than in adjournment.

Mr. DIRKSEN. Mr. President, with that understanding, I have no disagreement, and I think that is entirely fair on the part of the majority leader. So on Monday next, if there is to be a morning hour after the prayer and disposition of the Journal, it will be quite all right, and the motion of the Senator from Montana will then be the pending business and will be debatable at that point.

Mr. MANSFIELD. Mr. President, is that the understanding of the Chair?

The PRESIDING OFFICER. That is correct.

Mr. MANSFIELD. That is the understanding of the Senator from Montana.

Mr. President, I understand that a Senator wishes to introduce a bill and make some statements. I therefore suggest the absence of a quorum at this time, and promise the Senate that at the conclusion of this or any other speaking, the Senate will take a recess until Monday.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTOMOTIVE PRODUCTS TRADE ACT OF 1965

Mr. LONG of Louisiana. Mr. President, the House and Senate managers have agreed to resolve their differences. There is one point which I believe might as well be explained for the RECORD, so that it can be understood when the Senate looks at the matter, perhaps next Tuesday.

This question relates to the Dirksen amendment, sections 201 and 202 of the bill, providing for a streamlined way by which the President could enter into agreements relating to replacement parts. In the event that he entered into such an agreement, the President would proclaim that an agreement had been entered into to remove tariffs on replacement parts. That proclamation would take effect unless Congress passed a resolution through both Houses declaring it not to be the case.

The Senator from Illinois [Mr. DIRKSEN] offered an amendment in committee, which was agreed to, and which was agreed to by the Senate, which provided that the proclamation would not take effect unless both Houses passed a resolution approving the proclamation.

In the differences between the Senate and House, it was suggested that the way to resolve the impasse would be merely to strike the section.

That would have been done, except that there was language in the bill to which both Senate and House had agreed, and it was contended that it would be subject to a point of order in either House. Therefore, the conferees agreed to an amendment which, in their judgment, would not be subject to a point of order, and which would achieve the same effect by merely declaring that the section under which the Dirksen amendment had been attached would expire the day after the enactment of the legislation; so that, in effect, we struck the section.

As I understand, this means that for the most part we have agreed to the Dirksen amendment, although it had to be done in language that did not so provide. The report of the House conferees was spelled out—as I will explain for the Senate conferees—and we feel that any negotiations on replacement parts should respect the procedure indicated here, because we believe it would be within the negotiations which would be approached, and Senators should be placed on notice that this matter was under consideration, which would give them notice of the right to express their views on the subject prior to the time any agreement was entered into.

I believe that when Senators study it, they will agree that, in effect, we carried out the Senate amendment and in effect agreed to the Senate amendment, even

though we had to do it by a procedure that was rather obscure and might be misunderstood.

When the Senator from Illinois [Mr. DIRKSEN] has an opportunity to look at the matter, I hope he will be satisfied, because we have the impression that he would have been content if the entire section had been stricken. The amendment amounted to striking that section from the bill.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL ASSISTANCE IN MAJOR DISASTERS

Mr. LONG of Louisiana. Mr. President, I send to the desk a bill and ask that it be printed in the RECORD, and appropriately referred.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2591) to amend the act of September 30, 1950, as amended (42 U.S.C. 1855-1855g), which relates to Federal assistance in major disasters, to provide assistance for property damaged as a result of Hurricane Betsy, and for other purposes, introduced by Mr. LONG of Louisiana (for himself and Mr. ELLENDER), was received, read twice by its title, referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

S. 2591

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 3 of the Act entitled "An Act to authorize Federal assistance to States and local governments in major disasters, and for other purposes", approved September 30, 1950, as amended (42 U.S.C. 1855-1855g), is amended by—

(1) inserting "(a)" immediately after the section designation; and

(2) adding at the end thereof the following new subsection:

"(b) Not to exceed \$5,000 of the borrowers obligation under any loan made pursuant to paragraph (1) of section 7(b) of the Small Business Act, as amended (15 U.S.C. 636(b)), shall be canceled whenever such loan is made for the repair or replacement of uninsurable property damaged or lost as the result of the major disaster commonly known as "Hurricane Betsy".

(b) Section 302 of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1922) is amended by—

(1) inserting "(a)" immediately after the section designation; and

(2) adding at the end thereof the following new subsection:

"(b) (1) Notwithstanding the provisions of paragraph 4 of the preceding subsection, the Secretary is authorized to make loans, under rules and regulations prescribed by him, to any farmers and ranchers referred to in the preceding subsection for the repairs or restoration of rural dwellings, appurtenances,

furnishings, buildings, and equipment used in connection with agricultural, livestock, or oyster production or products, for livestock and equipment losses, and for crop damage, the value as determined by the Secretary not to exceed the normal yield was the actual yield of acres harvested or which would have been harvested, damaged as a result of the major disaster, commonly known as Hurricane Betsy. The loans made pursuant to this paragraph shall be on such terms and conditions as the Secretary shall prescribe, except that (1) the interest rate shall be 3 percent per annum and (ii) the period of repayment of such loans shall not exceed thirty years.

(2) Not to exceed \$5,000 of the borrower's obligation under any loan made pursuant to this subsection shall be canceled whenever such loan is made for damages resulting from the major disaster commonly known as Hurricane Betsy.

(c) Section 3 of the Act entitled "An Act to authorize Federal assistance to States and local governments in major disasters, and for other purposes", approved September 30, 1950, as amended (42 U.S.C. 1855-1855g) is amended by—

(1) inserting "(a)" immediately after the section designation; and

(2) adding at the end thereof the following new subsection:

"(b) The assistance provided pursuant to the preceding subsection shall include the restoration and permanent replacement of public facilities and the facilities, equipment, and materials of elementary and secondary schools and institutions of higher education damaged as the result of the major disaster commonly known as Hurricane Betsy."

SEC. 2. The amendments made by this Act shall be applicable with respect to loans made on or after September 7, 1965.

Mr. LONG of Louisiana. Mr. President, I have introduced an amendment to the act that provides Federal assistance in major disaster to render assistance to the people in the area proclaimed a disaster area by the President of the United States as a result of Hurricane Betsy, which struck the State of Louisiana on Thursday, September 9, 1965. The assistance I propose will be in the form of a forgiveness for part of the emergency loan made to those who resided in the disaster area and who suffered an uninsurable loss to their home or business. I propose to limit this forgiveness to a maximum of \$5,000.

Mr. President, the disaster which struck Louisiana, Mississippi, and other areas on September 9 was, in my opinion, the most destructive natural catastrophe of this generation from the point of property damage. It may well be the greatest ever to occur in the State of Louisiana, and it certainly compares with the great disasters of American history such as the San Francisco earthquake and the Chicago fire. The insured losses of Hurricane Betsy probably exceed anything that has happened in the United States. Unfortunately, many of the losses were not insured because they were not insurable. My amendment deals with these uninsurable losses.

As soon as word reached Washington of the magnitude of our disaster in Louisiana, I contacted President Johnson and asked him, in spite of his extremely pressing and busy schedule, if he could come to Louisiana and view the damage firsthand. He dropped what he was doing and, in the space of an hour, he was on his way to Louisiana accompanied

by members of the Louisiana delegation and his top assistants concerned with disaster work. The people of Louisiana will never forget that visit. The reassurance that it gave to them, I am certain, had a great deal to do with the tremendous efforts that were made by so many to hold down the loss of life which could have reached proportions as great as the 400-odd who lost their lives in Cameron Parish, La., a few years ago.

The work being done by the Federal, State, parish, and municipal agencies and the work being done by countless individuals in digging out the city of New Orleans in particular, and many other surrounding areas in general, has been tremendous. We owe our everlasting appreciation to the Governor of Louisiana and the mayors of New Orleans and Baton Rouge, La., and the various Federal, State, and local agencies, and all of those who have done so much without regard to personal expense or inconvenience. We have one big job yet to be accomplished.

The mayor of the city of New Orleans, the Honorable Victor H. Schiro, has spent many hours with me recounting the seriousness of the plight of many of the people of the New Orleans area who have lost so much as a result of flood damages which are not insurable. I viewed many of these flooded homes firsthand while I was in New Orleans with the President and subsequently on trips with the Governor, the mayor, and other officials. I agree with him that the Federal Government has an obligation to those people to do something more than make long-term loans at a reasonable interest rate. The amendment I propose is, in our opinion, the most feasible solution to this grave problem. I will urge the Senate to act promptly upon it.

I am deeply appreciative of the work that has been done by Congressman BOB JONES of Alabama and his House Public Works Committee that saw fit to go to New Orleans and Baton Rouge over the past weekend and spend countless hours discussing the problem with the people who suffered losses and were very active in attempting to find a solution to the various problems that the hurricane caused. I am hopeful that the amendment I introduce today will be referred to the Senate Public Works Committee in order that those committees of the Senate and the House can work together in securing the earliest possible passage of my amendment and subsequent legislation that will take care of other serious problems that still exist.

Mr. President, I am introducing my amendment because I feel it is the only solution to the problem of protection of our people against natural disasters. On August 7, 1956, President Eisenhower signed into law the Federal Flood Insurance Act. This act authorized the Housing and Home Finance Administrator to undertake three related operations:

First, to furnish insurance against losses from flood and tidal waters.

Second, to reinsure private companies who undertake to write flood insurance on a private basis.

Third, to make loans to cover properties lost or damaged in floods to assure an adequate line of credit for this purpose when it is most needed.

The Federal Flood Indemnity Administration was established by the Housing and Home Finance Agency to carry out the provisions of this act. Numerous amendments to the act were proposed. Appropriations were proposed. None of them passed. The Federal Flood Indemnity Administration closed down and was abolished in July 1957. Following this time, many bills have been proposed to help in this situation. The long-term 3-percent disaster loan that the Small Business Administration can now make takes care of the third objective of the Federal Flood Insurance Act. The SBA, with a greatly expanded program, is presently making disaster loans in New Orleans as fast as they can make them and is doing a good job in this respect. The other two objectives of the act have never been accomplished.

Mr. President, it is my conclusion that, since the best minds of the Federal Government and the best minds of the insurance industry have not been able to come up with a suitable insurance policy against flood damage, such a policy is not possible at this time. For this reason, I propose that we take a different approach to this matter—the approach that I am suggesting in my amendment.

I propose that any individual—whether he be a homeowner or a businessman, including farmers—be granted a forgiveness of the loan made to them by the SBA—a forgiveness equal to the cost of repairs to their domicile or place of business in an amount not to exceed \$5,000. In this manner, there are three strict controls over the granting of such a forgiveness:

First, the property must be within the area declared a disaster area by the President of the United States.

Second, the damage for which the loan was made must be uninsurable.

Third, it will not exceed \$5,000.

I propose that the assistance be granted in this way because the machinery to handle the Small Business loan is already in existence and is working efficiently. The amount of the forgiveness is simply deducted from the amount of the loan that has already been made. No additional agencies or staffs should be needed to accomplish this work.

I am offering this amendment to apply to those who suffered uninsurable losses during Hurricane Betsy. I am cognizant of the fact that there are other uninsurable losses that occur, unfortunately, from time to time, including damages from tornadoes, hurricanes, volcanic eruptions, and others. I am hoping the operation resulting from the passage of this amendment will help us to arrive finally at a solution to our problem of Federal insurance against the uninsurable.

It is my feeling, Mr. President, that every American citizen should feel that he is entitled to protection from the Federal Government if private industry cannot make this protection available to him. After discussing this matter with some of the greatest insurance minds that I was able to contact, I have reached

the conclusion that the insurance industry has made a serious and exhaustive effort to come up with a suitable plan of insurance that would provide protection against these disasters and, at the same time, would be able to do this at a premium within the reach of the people who would need it most. There are many reasons why this insurance is not feasible—one of which is that, because of physical locations, certain people would be in far greater need of it than others. I am satisfied that our insurance industry has made every effort and that they will continue to study this important problem. In the meantime, I hope my amendment will be promptly passed by this Congress in order that we will be in position to render the assistance so very badly needed at this time. It is my sincere feeling that the forgiveness proposed by this amendment is a minimum insurance payment and the total cost of this amendment will be far less than the Federal Government would have paid if any form of insurance had been in effect for the past 10 years.

Mr. YARBOROUGH. Mr. President, I listened with much interest to the measure offered by the Senator from Louisiana and the discussion of the Kennedy-Lehman bill of 1956.

The Kennedy-Lehman bill was passed after a great hurricane went up the Connecticut valley and devastated a large area in New England. It authorized the setting up of a plan for insuring against damage by rising waters.

At present there is no insurance available, as the distinguished Senator from Louisiana pointed out, to insure against the loss from damages by rising waters where it comes up in rivers or on the coast. This is one of the great vacant areas in American insurance coverage.

There was a similar situation prior to the administration of Franklin Delano Roosevelt in the field of hail insurance. No private insurance company would write insurance to protect field crops against loss or damage by hailstorm.

Under Franklin Delano Roosevelt we established a Government program to insure crops against loss of damage by hail. The result was that this insurance was made so attractive that private insurance companies have moved into this field and now they write hail insurance coverage. In fact, they have taken much of the business.

I believe this is a feasible subject for insurance. I believe that presently the private sector in our insurance economy is missing a bigger part in failing to insure against rising waters.

I have discussed this with insurance officials, and I have appealed to various presidents of insurance companies to put into effect a Kennedy-Lehman law of 1956. It would require only an executive order to appoint a commissioner, draft regulations, and get an appropriation through Congress because there is prior existing legislation. We have been unable to get it done in the past 2 or 3 years. I had a discussion with the Army Engineers and with the Bureau of the Budget.

They argued that it was not feasible because the rates would depend on how high the water was above sea level.

I ask the Senator from Louisiana if it

would not be easier to have definite rates on various water levels above sea level.

In fire insurance there are four or five different rates in the same block for frame buildings, brick buildings, half-cut stone and frame. It depends on the kind of building that is involved. The rate changes from building to building for fire insurance.

It seems to me that that is more difficult than having a different rate at sea level. It is said that that is what the different rates would apply to.

I ask the distinguished Senator from Louisiana if he does not believe that rising water insurance would be feasible, and whether our Government is not derelict in not implementing the Kennedy-Lehman law of 1956?

Mr. LONG of Louisiana. The Senator is entirely correct. That is one of the reasons for my proposal.

It is recognized that the Government should help people to insure themselves against risks that the insurance industry feels it cannot insure people against. One of the principal risks is rising water and floods.

If Congress had implemented that legislation our people in Louisiana would have been the first to buy it. They would have been in there, and after Hurricane Hilda and they would have broken down the door to buy it, because Hurricane Hilda broke the door there and in other areas where that hurricane hit.

Hurricane Hilda hit the Lafourche Parish area. It was badly damaged. The eye of the hurricane passed over Baton Rouge. Some of the area which Hurricane Hilda hit had been heavily damaged by Betsy.

There is no doubt that the people in the coastal areas, who saw what Hurricane Hilda could do, would have insured themselves against repetition if the Federal Government implemented the Federal law to make it possible to insure against this kind of loss.

Had they insured themselves against this type of loss, other people throughout the Nation would have taken out insurance. The Federal Government, I assume, would have subsidized it or backed it up, so the American people would have been standing behind those of us who had taken out flood insurance.

Instead, Congress did not implement it and made no funds available. We could not obtain insurance.

The result is that all those poor people suffered loss by flood driven by a hurricane and they had no way to insure themselves against it.

Had Congress implemented this legislation, the people of the United States would now be making good to the people of Louisiana and, at the same time, we would have insured ourselves against it.

To illustrate how it can cost where one has not been insured, the insurance people report that damage suffered from Hurricane Betsy is the greatest insured loss in the country. It was the greatest insured loss ever in this country.

My home suffered a loss of \$15,000 where this hurricane uprooted a tremendous tree, put it on top of the house, and damaged the living room to the point where it is not usable. That is a loss that could be insured against.

This Senator was covered by insurance. He was not flooded. He was damaged by the rain that came from the roof after the hurricane destroyed the roof and put a big tree on the roof. It was a tremendous tree. I suppose it had been there for 500 years.

But for those people who had their homes horribly damaged by flood water, with winds from 125 to 140 miles an hour, which pushed ahead of it a tidal wave between 9 and 15 feet, which stopped the levees in areas not protected against the Mississippi River, the effect which those people suffered was a great loss. They would have insured themselves had the insurance been available.

We would have been glad to do our part. Those people paid taxes to help our Government help others. We helped pay the bill to aid Europe and we did not get anything back. Certain nations show how ungrateful they can be. We pay people who suffer from famines in India or hurricanes in other parts of the world, and even some people who are not friendly. We help to sustain them when damage has been done to them.

On this insurance our people would have been in good shape to sustain the damage done if the Federal Government had made it possible for them to insure themselves against it, recognizing the fact that the insurance companies have not, up to this point recognized a practical way to do it.

The Senator makes a good point. We ought to have a solid insurance program to protect against these losses. But in the absence of it, it seems to me that the Federal Government ought to accept some responsibility toward the people who have been affected.

Mr. YARBOROUGH. I commend the Senator from Louisiana for opening this discussion again. A number of Senators have worked on it. The junior Senator from New Jersey [Mr. WILLIAMS] has submitted a resolution to implement it. President Eisenhower appointed a commissioner, but no money was appropriated by Congress to implement his work. So that office is vacant.

I believe if the Government insured the first group of properties offered for insurance, there would be a repetition of the experience in the administration of President Franklin D. Roosevelt, when the Government made hail insurance available to farmers to cover them against the loss of crops. Then the private economy moved in and showed that it could make a profit. It wrote a vast amount of hail insurance and made a profit on its investment.

Our study has shown that vast numbers of people in the United States live where they might be affected by rising waters. It is not only along the gulf coast, but in the river valleys of the United States. Cities like St. Louis, New Orleans, Louisville, and Cincinnati have suffered and can suffer damage that might be caused by rising river waters.

The amount of property to be insured is so vast that if the people had an opportunity to buy protection, the premiums would make it possible to supply the insurance.

It took the Federal Government to show how hail insurance could be provided. I hope that we might implement the law prospectively, in the future, to protect all the people and make insurance available to them.

I am pleased to observe in the Chamber the distinguished senior Senator from Alabama [Mr. HILL] and the distinguished junior Senator from Mississippi [Mr. STENNIS], whose States embrace coastal areas that are subject to flooding. Texas has areas that have not been hit by hurricanes for 50 years. In 1961, Hurricane Carla had a bad effect. Since the rebuilding took place, it has been difficult for people to obtain credit, because those who lend money do so much more for business development than for home development.

In some cities which are 15 feet above sea level and are located 10 or 15 miles inland, the water came farther in during Hurricane Carla than it had ever come before. One engineer, experienced in meteorological studies predicted that if the wind were right, water could come 30 miles inland. During Hurricane Carla, the water came exactly to the place where he had placed a marker 5 years before, where everyone else had said the water could not come. But it reached that point and stopped. Now everyone in the coastal area seeks the advice of that outstanding engineer.

It seems to me that the Government has been shortsighted, negligent, and timid. It has failed to take the thrust forward that was taken when Franklin Roosevelt directed the Government to insure farmers against loss or damage by hail.

All the people who live in river valleys and along the seacoasts, where homes and businesses might be damaged by rising waters, should have insurance made available to them. The bill of the Senator from Louisiana is needed because people are not able by themselves to pay for the cost of the damage. Collectively, the people of the country could pay enough in premiums to reimburse them for damages if the insurance were made available by the Government; and if it were made available, the private companies would enter the field to get their share of the business.

Mr. LONG of Louisiana. When Hurricane Betsy was in the middle of the Gulf of Mexico, no one could have said whether it would come ashore at Texas, Louisiana, Mississippi, Alabama, or west Florida. All those areas were subject to being hit by the full force of that hurricane. Whoever got it would get the slats knocked out of him.

Louisiana suffered \$2 billion of damage from that hurricane. I am not concerned about some person who is worth \$40,000 or \$50,000, who was insured for a part of the loss, who has other assets to make up his loss, and who is able to pay for the damage that was caused him and can take it on the chin. It is the little people who have come to me and with whom I have talked. One of them said, "I am a widow. I have no husband to help me. All I have to live on is a small social security check. My

home is totally destroyed. I have no home to go back to."

The homes of such people have been so badly damaged that they might as well be considered as destroyed. The people might as well start all over again. From the air, some of the homes look as though they might have some value. But many of them have been moved by the water almost as much as a mile from where they had stood. They have been so badly damaged by water and wind that it would probably be cheaper to start all over again than to move the house back to where it originally stood and rebuild it.

In some homes, water stood for 2 weeks. By that time, everything in the house had absorbed all the pollution that escaped from the septic tanks and sewage facilities. It soaked into the wood, and the wood became warped. So the people might as well start all over again.

The Government has provided grants now and then to replace slums. In this instance, the hurricane made slums out of decent housing areas. The people who lived in those areas have been wiped out. Many of them are advanced in years. Some of them are widows. They have no husbands to help them; they are trying to live on social security checks. Their homes have been taken from them. Something should be done to help those people.

Mr. STENNIS. Mr. President, I am favorably impressed with the argument made by the Senator from Louisiana concerning the bill that, as I understand, he is introducing or proposes to introduce. He has stated a practical problem in a logical way. I hope that some legislation along this line will be carefully considered and brought to consummation. I do not pledge my support for any particular bill at this time without having read it, but I shall certainly give it my interest and, I believe, my support.

The Senator from Louisiana is not one who is quick to run to the Federal Government every time someone stubs his toe or injures his thumb. He is concerned with a practical matter of insurance against tragic losses that private insurance does not reach. He proposes that the Government establish a sound organization that would charge premiums or fees, so to speak, for the insurance, so as to provide a little cushion, in effect, against unbearable loads resulting not only from floods, but from other catastrophes, as well.

Mr. LONG of Louisiana. I thank the Senator from Mississippi. He has been a leader in trying to protect people from the horrible damages caused by floods. He has seen in his own State what damage can result from other causes.

In this particular case, I made the point that if the Federal Government had done what I think it should have done, that is, recognized that no insurance is available for such catastrophes, and had an active program, implemented, and had provided a set premium, people would have paid for much more insurance than I have suggested.

Mr. STENNIS. This would be an investment by the Federal Government, which would have to contribute funds to provide relief in such catastrophes. The U.S. Government has been most generous when calamities and disasters have occurred in other nations, nations both friendly and unfriendly. As the Senator from Louisiana has said, some of the money used for such purposes could now be diverted to insurance for our own people against this kind of unguarded situation.

I believe that we should move forward. I hope that the Senator will continue his effort.

Mr. LONG of Louisiana. Mr. President, I thank the Senator.

TRIBUTE TO SENATOR HILL

Mr. STENNIS. Mr. President, I wish briefly to express my very deep gratitude and appreciation at the passage of H.R. 8310, the Vocational Rehabilitation Act.

I know that this is one of the finest programs we have had. As the Senator from Mississippi understands the amendments which have been agreed to, they are very timely.

All of us again, and I underscore the word "again," owe a debt of gratitude to the Senator from Alabama [Mr. HILL], for his long days, months, and even years of work upon the problem of bringing to completion, along with other members of his committee, a modernized measure in this highly important field.

I commend the Senator and thank him. I point out that this is only another illustration of one of the many instances in which the Senator has given so generously of his time and effort in other fields. The Senator has always been most effective indeed in the field of legislative enactment.

Mr. HILL. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. HILL. Mr. President, I express my heartfelt thanks to the distinguished Senator from Mississippi for his most gracious words. I deeply appreciate them.

As we all know, it takes a team to win the game. There has been no finer, more valiant, or more devoted team member than the distinguished junior Senator from Mississippi. He has been here on the floor, as a Member of this body, time and again, fighting the battle to give a better chance to the disabled, those who are compelled to hobble their way down life's road, leaning painfully on a staff or crutch, those retarded through mental retardation, those who have to grope their way through life with empty, armless sleeves.

No one has done more to help the poor, disabled, and disadvantaged people than has the distinguished Senator from Mississippi. I pay my tribute to him for the magnificent support that he has given to measures for our disabled people in behalf of the cause of their rehabilitation.

I also take this opportunity to express appreciation to the distinguished Sena-

tor from Mississippi for all that he has done for the strength and defense of our country. We well know that we live in a most troubled world—yes, in a most dangerous world. There is nothing so vital, so immediate, or so compelling at this time as the need to have a strong America with a strong defense system.

We know that no one has been more dedicated to the cause of the defense of our country or has contributed more to the strength of our country than has the Senator from Mississippi.

Mr. STENNIS. Mr. President, I thank the Senator very much for his generous remarks. It is fine to be on his team.

I have enjoyed working with the Senator.

Mr. President, I yield the floor.

TRIBUTE TO SECRETARY ZUCKERT

Mr. ERVIN. Mr. President, when Gene Zuckert leaves his position as Secretary of the Air Force on September 30, this Nation will have lost one of its greatest service secretaries. The people of this country owe him a debt of gratitude greater than most of them can ever know. It is fitting for us to recognize it here today.

Much has been said of the growth of U.S. airpower during Secretary Zuckert's stewardship. It is not necessary for me to repeat the accomplishments of the Air Force under his leadership. All of us who have been associated with military affairs recognize that the U.S. Air Force is today a more powerful, and at the same time a more flexible, instrument of national policy than it ever has been before.

One of the great strengths of the Air Force is its ability to look at new defense problems with a fresh approach and novel insights. Gene Zuckert has been a dominant force in developing creative professional thought within his service.

Despite the sometime crushing burdens which he has carried, Secretary Zuckert never has lost sight of the human element in defense affairs. No Secretary has maintained closer touch with both airmen and officers than he. No Secretary has been more concerned over the well-being of his people. He is a man who combines great managerial ability with the gift of human understanding.

The Air Force is a better organization, airmanship is a better profession, and the United States a stronger Nation for having had Gene Zuckert as civilian chief of its aerospace arm.

I know you will join with me in expressing thanks to a great American, and in voicing the hope that he may find deep satisfaction in the knowledge that he has served our Nation with true distinction.

RECESS

Mr. LONG of Louisiana. Mr. President, if there is no further business to come before the Senate, I move, under the previous order, that the Senate stand in recess until noon on Monday next.

The motion was agreed to; and (at 1 o'clock and 56 minutes p.m.) the Senate took a recess, under the order previously entered, until Monday, October 4, 1965, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate October 1, 1965:

U.S. DISTRICT JUDGE

Dan Monroe Russell, Jr., of Mississippi, to be U.S. district judge for the southern district of Mississippi vice Sidney C. Mize, deceased.

U.S. CIRCUIT JUDGE

Frank Morey Coffin, of Maine, to be U.S. circuit judge for the first circuit vice John P. Hartigan, retired.

U.S. ATTORNEYS

William H. Murdock, of North Carolina, to be U.S. attorney for the middle district of North Carolina for the term of 4 years. (Reappointment.)

William Medford, of North Carolina, to be U.S. attorney for the western district of North Carolina for the term of 4 years. (Reappointment.)

Robert H. Cowen, of North Carolina, to be U.S. attorney for the eastern district of North Carolina for the term of 4 years. (Reappointment.)

Hosea M. Ray, of Mississippi, to be U.S. attorney for the northern district of Mississippi for the term of 4 years. (Reappointment.)

Donald M. Statton, of Iowa, to be U.S. attorney for the southern district of Iowa for the term of 4 years vice Donald A. Wine, resigned.

Thomas L. Robinson, of Tennessee, to be U.S. attorney for the western district of Tennessee for the term of 4 years. (Reappointment.)

U.S. MARSHALS

Emmett E. Shelby, of Florida, to be U.S. marshal for the northern district of Florida for the term of 4 years. (Reappointment.)

Donald F. Miller, of Washington, to be U.S. marshal for the western district of Washington for the term of 4 years. (Reappointment.)

Victor L. Wogan, Jr., of Louisiana, to be U.S. marshal for the eastern district of Louisiana for the term of 4 years. (Reappointment.)

Joseph V. Conley, of Rhode Island, to be U.S. marshal for the district of Rhode Island for the term of 4 years. (Reappointment.)

John G. Chernenko, of West Virginia, to be U.S. marshal for the northern district of West Virginia for the term of 4 years. (Reappointment.)

Beverly W. Perkins, of Nevada, to be U.S. marshal for the district of Nevada for the term of 4 years. (Reappointment.)

SUBVERSIVE ACTIVITIES CONTROL BOARD

John W. Mahan, of Montana, to be a member of the Subversive Activities Control Board for the term expiring March 4, 1970, vice Francis Adams Cherry.

Edward C. Sweeney, of Illinois, to be a member of the Subversive Activities Control Board for a term of 5 years expiring August 9, 1970.

IN THE MARINE CORPS

The nominations beginning Charles W. Abbott to be lieutenant colonel, and ending James W. Wilson to be lieutenant colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on September 20, 1965.

89TH CONGRESS
1ST SESSION

H. R. 11539

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 12, 1965

Mr. FALLON introduced the following bill; which was referred to the Committee on Public Works

A BILL

To provide assistance to the States of Florida, Louisiana, and Mississippi for the reconstruction of areas damaged by the recent hurricane.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Congress hereby recognizes that the States of
4 Florida, Louisiana, and Mississippi suffered extensive prop-
5 erty loss and damage as a result of Hurricane Betsy in 1965
6 (including, but not limited to, loss and damage from flood,
7 high waters, and wind-driven waters caused by such hurri-
8 cane) and that there is a need for special measures designed
9 to aid and accelerate these States in their efforts to provide

1 for the reconstruction of highways and public works projects,
2 and to otherwise rehabilitate these devastated areas.

3 SEC. 2. Notwithstanding any other provision of law,
4 trailers provided as a result of Hurricane Betsy as temporary
5 housing under clause (d) of section 3 of the Act entitled "An
6 Act to authorize Federal assistance to States and local gov-
7 ernments in major disasters, and for other purposes", ap-
8 proved September 30, 1950, as amended (42 U.S.C.
9 1855b), may be sold directly to the persons who are the
10 occupants thereof at prices that are fair and equitable.

11 SEC. 3. In the administration of the disaster loan pro-
12 gram under section 7 (b) (1) of the Small Business Act, as
13 amended (15 U.S.C. 636 (b)), in the case of property loss
14 or damage in the States of Florida, Louisiana, and Missis-
15 sippi resulting from Hurricane Betsy, the Small Business
16 Administration, to the extent such loss or damage is not com-
17 pensated for by insurance or otherwise, (1) shall at the
18 borrower's option on that part of any loan in excess of \$500,
19 (A) cancel up to \$1,800 of the loan, or (B) waive interest
20 due on the loan in a total amount of not more than \$1,800
21 over a period not to exceed three years; and (2) may lend
22 to a privately owned school, college, or university without
23 regard to whether the required financial assistance is other-
24 wise available from private sources, and may waive interest

1 payments and defer principal payments on such a loan for
2 the first three years of the term of the loan.

3 SEC. 4. In the administration of the emergency loan pro-
4 gram under subtitle C of the Consolidated Farmers Home
5 Administration Act of 1961, as amended (7 U.S.C. 1961—
6 67), in the case of property loss or damage in the States of
7 Florida, Louisiana, and Mississippi, resulting from flood,
8 high waters, or wind-driven water or uninsurable crop loss,
9 caused by Hurricane Betsy, the Secretary of Agriculture
10 shall, to the extent such loss or damage is not compensated
11 for by insurance or otherwise, at the borrower's option on
12 that part of any loan in excess of \$500, (1) cancel up to
13 \$1,800 of the loan, or (2) waive interest due on the loan in
14 a total amount of not more than \$1,800 over a period not to
15 exceed three years without regard to whether the required
16 financial assistance is otherwise available from private
17 sources.

18 SEC. 5. The Secretary of Housing and Urban Develop-
19 ment shall undertake an immediate study of alternative pro-
20 grams which could be established to help provide financial
21 assistance to those suffering property losses in flood and
22 other natural disasters, including alternative methods of
23 Federal disaster insurance, as well as the existing flood insur-
24 ance program, and shall report his findings and recommen-

1 dations to the President for submission to the Congress not
2 later than nine months after the appropriation of funds for
3 this study, except that the findings and recommendations
4 on earthquake insurance shall be reported to the President
5 for submission to the Congress not later than three years
6 after the appropriation of funds for this study.

7 SEC. 6. There is hereby authorized to be appropriated
8 not to exceed \$70,000,000 to carry out this Act, and such
9 sums shall remain available until expended.

10 SEC. 7. This Act, other than sections 5 and 6, shall not
11 be in effect after January 1, 1967, except with respect to
12 payment of expenditures for obligations and commitments
13 entered into under this Act on or before such date.

14 SEC. 8. This Act may be cited as the "Southeast Hurri-
15 cane Disaster Relief Act of 1965".

89TH CONGRESS
1ST Session

H. R. 11539

A BILL

To provide assistance to the States of Florida, Louisiana, and Mississippi for the reconstruction of areas damaged by the recent hurricane.

By Mr. FALLON

OCTOBER 12, 1965

Referred to the Committee on Public Works

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

Issued Oct. 14, 1965
For actions of Oct. 13, 1965
89th-1st, No. 191

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HIGHLIGHTS: see page 4

HOUSE

1. SUGAR. Passed, 246-147, as reported H. R. 11135, the sugar bill. Rejected, 95-137, the Findley amendment to cancel quotas of countries that use agents. Rejected, 160-230, a motion by Rep. Harvey, Ind., to recommit the bill with instructions for an amendment to impose an import tax on sugar. pp. 25917-22, 25930-45
2. WATER CONSERVATION. Passed with amendment H. J. Res. 671, to authorize the President to proclaim November 1965 as Water Conservation Month. pp. 25945-6
3. AGRICULTURAL APPROPRIATION BILL. The conferees were given until midnight tonight (Oct. 14) to submit a report on this bill, H. R. 8370. p. 25946
4. SUPPLEMENTAL APPROPRIATION BILL, 1966. The Appropriations Committee reported this bill, H. R. 11588 (H. Rept. 1162)(p. 26000). Attached to this Digest is a table showing the budget estimates and House committee action on requests for

this Department. The bill also includes appropriations for the Office of Economic Opportunity. The bill is to be considered today, Oct. 14 (p. D1020).

5. DISASTER RELIEF. The Public Works Committee reported without amendment H. R. 11539, to provide assistance to Fla., La., and Miss. for reconstruction of areas damaged by the recent hurricane (H. Rept. 1164). p. 26000
6. RESEARCH; EDUCATION. Received a report from the Government Operations Committee on "Conflicts between the Federal research programs and the Nation's goals for higher education" (H. Rept. 1158). p. 26000
7. SAFETY. Rep. Mackay asked for Federal leadership in all aspects of motor-vehicle safety. pp. 25951-2
8. FOREIGN TRADE. Rep. Curtis discussed the outlook for fostering foreign trade and relating to the balance-of-payments program. pp. 25958-62
9. FARM LABOR. Rep. Cleveland inserted an article criticizing the Labor Department's placement program as it relates to N. H. apples. pp. 25963-5
10. PUBLIC WORKS APPROPRIATION BILL. Received the conference report on this bill, H. R. 9220 (H. Rept. 1163). pp. 25991-9
11. REPORTS. The Government Operations Committee voted to report (but did not actually report) S. 2150 (amended), to discontinue or modify certain reporting requirements of law. p. D1021
12. STATION TRANSFERS. The Government Operations Committee voted to report (but did not actually report) H. R. 10607 (amended), to provide for reimbursement of certain moving expenses of employees, and to authorize payment of expenses for storage of household goods and personal effects of employees assigned to isolated duty stations within the continental U. S. p. D1021
13. PURCHASING. The Government Operations Committee voted to report (but did not actually report) S. 1004 (amended), to make title III of the Federal Property and Administrative Services Act applicable to procurement of property and non-personal services by executive agencies. p. D1021
14. COUNTERPART FUNDS. The Government Operations Committee ordered favorably reported a report, "Use of counterpart funds by the Foreign Agricultural Service." p. D1021

SENATE

15. APPROPRIATIONS. Both Houses passed without amendment H. J. Res. 695, making continuing appropriations for fiscal year 1966 (pp. 25906, 25922-23). Sen. Hayden stated that the resolution "extends from October 15 to Saturday, October 23, existing provisions of law, providing funds for the operation of the agencies of Government for which the regular appropriation bills for fiscal year 1966 have not yet been enacted" (p. 25906). This measure will now be sent to the President.
16. COPYRIGHTS. Passed without amendment H. R. 2853, to increase the fees payable to the Copyright Office so as to produce a more appropriate ratio between receipts and expenditures of the Office. This bill will now be sent to the President. pp. 25864-65

SOUTHEAST HURRICANE DISASTER RELIEF ACT OF 1965

OCTOBER 13, 1965.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. JONES of Alabama, from the Committee on Public Works, submitted the following

REPORT

[To accompany H.R. 11539]

The Committee on Public Works, to whom was referred the bill (H.R. 11539) to provide assistance to the States of Florida, Louisiana, and Mississippi for the reconstruction of areas damaged by the recent hurricane, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

GENERAL STATEMENT

It appears that both in terms of numbers of people affected and in terms of monetary losses, the damages caused to the States of Florida, Louisiana, and Mississippi by Hurricane Betsy in September of 1965 are greater than any previous natural disaster.

The President of the United States, under Public Law 81-875, declared the area a major disaster area. All available machinery of the Federal and State Governments, as well as of the local governmental jurisdictions, was directed to immediate relief and subsequent rehabilitation. The Department of Defense supplied equipment and services to transport food and forage, clothes, fuel, and other necessities.

The catastrophe prompted the House Committee on Public Works to send a special subcommittee to the area to inspect the damage and to meet with Federal, State, and local officials. The subcommittee held hearings on September 25 and 26, 1965, in New Orleans and Baton Rouge to determine what the Federal Government and the Congress could do to provide additional relief to the area.

On October 13, 1965, the Committee on Public Works held hearings on H.R. 11539 and related bills dealing with the problems resulting from Hurricane Betsy. At this hearing, testimony was received from Members of Congress who represent the disaster areas and representatives of the executive branch of the Government. This bill contains

what the committee believes is needed and necessary to give further aid to the disaster-stricken areas.

THE MAGNITUDE OF HURRICANE BETSY

Hurricane Betsy's September smash at the gulf coast was one of the most destructive in all history. The overwhelming magnitude of the vicious storm, surprising even to experienced disaster workers, was more apparent every day as storm victims continued to register for long-term recovery help in rebuilding their lives and homes.

The Red Cross reports that between 800,000 and 1 million persons were adversely affected by the hurricane. Except for the 1937 Ohio-Mississippi River floods, which forced over a million persons from their homes, Hurricane Betsy caused the largest number of persons to be displaced. Over 1,500 homes were destroyed and more than 150,000 damaged; over 2,000 trailers were damaged or destroyed. 1,400 farm buildings and 2,600 small businesses.

PROVISIONS OF H.R. 11539

The first section of the bill contains a congressional finding that the States of Florida, Mississippi, and Louisiana have experienced extensive property loss as a result of Hurricane Betsy and declares the need for special measures to help these States in the reconstruction and rehabilitation of devastated areas.

The second section authorizes the sale of trailers provided as temporary housing under the Federal Disaster Act to the occupants thereof at prices that are fair and equitable. Under present law, the sale of such property is handled through the usual procedures for the disposal of surplus property. Adequate low-cost housing is often not readily available to the trailer occupants, and this provision would give them an opportunity to be housed without being uprooted.

Section 3 applies to Small Business Administration loans for property loss or damage as a result of Hurricane Betsy to the extent that such loss or damage is not compensated for by insurance or otherwise. At the borrower's option, on that part of any loan in excess of \$500, the SBA would be authorized to cancel up to \$1,800 of the loan, or waive interest due on the loan over a period not to exceed 3 years (but not in excess of \$1,800 worth of interest). Privately owned schools and colleges would be eligible for loans without regard to whether financial assistance is otherwise available from private sources, and interest may be waived and payments of principal deferred for the first-3 years of the loan without limitation as to the total amount of interest waived. Under present law, the SBA has authority to make 3-percent loans under its disaster loan program. However, it normally does not make such loans where financial assistance is otherwise available from other sources on reasonable terms. It also does not as a matter of practice cancel any part of a loan or waive interest.

Section 4 applies to Farmers Home Administration loans and the monetary benefits would be similar to section 3. Section 4 covers loss or damage resulting from flood, high waters, wind-driven water, or uninsurable crop loss to the extent such loss or damage is not compensated for by insurance or otherwise. Under the present law, the Farmers Home Administration makes 3-percent loans.

The additional authorization in section 4 will permit the Farmers Home Administration to make financial assistance available to farmers, stockmen, and oyster planters in the affected areas on the same terms as Small Business Administration assistance will be available to homeowners and businessmen under section 3 of the bill.

Under section 321(b) of the Consolidated Farmers Home Administration Act, emergency loans are now available only to those persons who cannot obtain sufficient credit elsewhere to finance their actual needs at reasonable rates and terms. Because of the character of the damage covered by the bill and the unusual urgency of the residents of this area to make prompt financial arrangements for damage restoration, crop salvage, and for the early planting season in the area, and because there is no similar statutory restriction on Small Business Administration loans, the committee recommends that the loans authorized by this section be freed from the existing statutory restriction as to the availability of other credit. However, in order to qualify for the benefits of this section, applicants will establish that they suffered the losses described and that they have a need for credit to continue their operations and restore damage.

As to the cancellation or waiver provisions there are, of course, other authorized programs of assistance such as the deficiency payments under the Sugar Act and perhaps some emergency payments for soil restoration and debris removal under the emergency agricultural conservation program which would at least partially compensate for the damage suffered in addition to any available insurance proceeds. All such payments would be considered in reducing the maximum authorized cancellation of principal or waiver of interest in applicable cases. In other cases these benefits would be available to borrowers under this authority without regard to their present or future repayment ability.

It is intended that the benefits of sections 3 and 4 shall be available to eligible borrowers without regard to the financial condition or other means of the borrowers. It is intended that the operation of sections 3 and 4 of H.R. 11539 is not to be mandatory insofar as the administration of these two sections is concerned. Rather discretion is to be afforded to the administration in the amount of the loan to be canceled or the interest to be waived, or the period of waiver.

Section 5 of H.R. 11539 would direct the Secretary of Housing and Urban Development to initiate an immediate study of alternative programs for providing financial aid to the victims of floods and other natural disasters, including the presently inactive Federal flood insurance program. A report would be made to the Congress, within 9 months from the appropriation of funds, on the Secretary's studies. However, the Secretary's findings and recommendations on earthquake insurance would be the subject of a later report, within 3 years; \$1,600,000 is already included in the proposed fiscal 1966 supplemental appropriations to finance these studies upon enactment of the substantive authorizing legislation.

Of this amount, about \$625,000 would be used for flood insurance studies. These proposed studies have been explored in a number of meetings between the interested Federal agencies. Areas with differing characteristics have tentatively been selected for study as being subject to different sources of flooding or containing different kinds of properties subject to flood damage. Substantially more than one-

half of the cost of these flood studies would go to reimburse the Corps of Engineers for obtaining the basic data needed from field surveys in each of the selected areas.

Most of the remaining \$975,000 would be used for a study of the feasibility of earthquake insurance. The Coast and Geodetic Survey would carry out the necessary fieldwork, at a cost of about \$800,000. The principal information sought to be obtained would be the effect of earthquakes on different soil formations. The extent of damage to properties varies considerably depending upon the response of different soils to earthquake actions. In order to meet this problem, it will be necessary to install special seismic instrumentation to record information about geologic foundation factors when earthquakes occur. This phase of the study would require about 3 years to complete. The study would also assemble and evaluate information about past earthquakes, and prepare probability estimates of the occurrence of earthquakes.

It is not at all certain that these studies can point the way to a workable Federal earthquake and flood insurance program. Experience in attempting to implement the Federal Flood Insurance Act of 1956 pointed up the problems involved in establishing schedules of rates for such insurance which would be both acceptable to those needing such insurance and adequately related to expectable losses.

For example, if rates are established on the degree of exposure to flood risk, the rates may be so high for those on the flood plains and exposed coastal areas which need protection most, that the policies might not generally be marketable. On the other hand, if rates are established on a more or less uniform basis, with no variation for flood risk, the program would be faced with "adverse selection"; that is, insurance would be sold in flood plains and exposed coastal areas far more easily than in other areas. This could make the insurance uneconomic.

The committee, therefore, wishes to emphasize that the studies to be undertaken are not to be limited to the studies, described above, relating essentially to establishment of risk characteristics of various areas for earthquakes and floods. Studies should also be undertaken, as appropriate, in such areas as the feasibility and financial effect of various alternative methods of public grant assistance for disaster victims (as is proposed in H.R. 9885 and related bills also before this committee), the extent of legal authority for State and local financial participation in such programs, and on the feasibility of more extensive flood plain zoning and other public control of development in high-risk areas. Studies might also be undertaken to determine the extent to which a coinsurance program would be desirable or feasible with respect to disaster risks which are now insurable in some areas only at high rates.

These studies will be carried out in close cooperation with the Council of State Governments, which has for many years expressed keen interest in flood plain zoning and flood insurance, and also, of course, with representatives of the insurance industry.

Section 6 authorizes the appropriation of \$70 million to carry out this act, to remain available until expended. Since the loan programs of the SBA and the Farmers Home Administration are being operated under existing authority, it is intended that the loan disbursements shall not be charged against the said \$70 million. The loan amounts

canceled and the amounts of interest waived shall be charged against the appropriations provided pursuant to this authorization.

Section 7 provides that the authority to sell trailers and the provisions covering the loan program of the SBA and the Farmers Home Administration shall be terminated, except for prior commitments, on January 1, 1967. This period of operation would provide ample time for individuals to obtain the benefits of the act.

Section 8 provides that this act may be cited as the "Southeast Hurricane Disaster Relief Act of 1965."

COMMITTEE RECOMMENDATIONS

Based on both personal observation as a result of the inspection trip taken by the special subcommittee to investigate conditions in the area and on testimony received in hearings in Louisiana and Washington, D.C., the committee recommends the enactment of this legislation. Every effort has been made under existing law and in a most commendable fashion by the Office of Emergency Planning, assisted by the Corps of Engineers, Coast Guard, the Departments of Defense, Agriculture, and Commerce, the Small Business Administration and the Housing and Home Finance Agency to bring about the quickest relief to the disaster area. However, the committee believes to fully restore the area to its full-scale vitality both for economic purposes and for normal living conditions that this additional legislation is needed. It, therefore, recommends the enactment of H.R. 11539.

For the information of the Members of the House, the provisions of law referred to in the bill are set forth below:

SECTION 3 OF THE ACT OF SEPTEMBER 30, 1950, AS AMENDED (42 U.S.C. 1855b)

SEC. 3. In any major disaster, Federal agencies are authorized when directed by the President to provide assistance (a) by utilizing or lending, with or without compensation therefor, to States and local governments their equipment, supplies, facilities, personnel, and other resources, other than the extension of credit under the authority of any Act; (b) by distributing, through the American National Red Cross or otherwise, medicine, food, and other consumable supplies; (c) by donating or lending equipment and supplies, determined under then existing law to be surplus to the needs and responsibilities of the Federal Government, to States for use or distribution by them for the purposes of this chapter including the restoration of public facilities damaged or destroyed in such major disaster and essential rehabilitation of individuals in need as the result of such major disaster; (d) by performing on public or private lands protective and other work essential for the preservation of life and property, clearing debris and wreckage, making emergency repairs to and temporary replacements of public facilities of States and local governments damaged or destroyed in such major disaster, providing temporary housing or other emergency shelter for families who, as a result of such major disaster, require temporary housing or other emergency shelter, and making contributions to States and local governments for purposes stated in this subdivision. The authority conferred by this Act, and

any funds provided hereunder shall be supplementary to, and not in substitution for, nor in limitation of, any other authority conferred or funds provided under any other law. Any funds received by Federal agencies as reimbursement for services or supplies furnished under the authority of this section shall be deposited to the credit of the appropriation or appropriations currently available for such services or supplies. The Federal Government shall not be liable for any claim based upon the exercise or performance or the failure to exercise or perform a discretionary function or duty on the part of a Federal agency or an employee of the Government in carrying out the provisions of this section.

SECTION 7~~7~~ OF THE SMALL BUSINESS ACT, AS AMENDED (15 U.S.C. 636)

SEC. 7. (a) The Administration is empowered to make loans to enable small-business concerns to finance plant construction, conversion, or expansion, including the acquisition of land; or to finance the acquisition of equipment, facilities, machinery, supplies, or materials; or to supply such concerns with working capital to be used in the manufacture of articles, equipment, supplies, or materials for war, defense, or civilian production or as may be necessary to insure a well-balanced national economy; and such loans may be made or effected either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis. The foregoing powers shall be subject, however, to the following restrictions and limitations:

(1) No financial assistance shall be extended pursuant to this subsection unless the financial assistance applied for is not otherwise available on reasonable terms.

(2) No immediate participation may be purchased unless it is shown that a deferred participation is not available; and no loan may be made unless it is shown that a participation is not available.

(3) In agreements to participate in loans on a deferred basis under this subsection, such participation by the Administration shall not be in excess of 90 per centum of the balance of the loan outstanding at the time of disbursement.

(4) Except as provided in paragraph (5) (A), no loan under this subsection shall be made if the total amount outstanding and committed (by participation or otherwise) to the borrower from the revolving fund established by this Act would exceed \$350,000; (B) the rate of interest for the Administration's share of any such loan shall be no more than 5½ per centum per annum; and (C) no such loan, including renewals or extension thereof, may be made for a period or periods exceeding ten years except that a loan made for the purpose of constructing facilities may have a maturity of ten years plus such additional period as is estimated may be required to complete such construction.

(5) In the case of any loan made under this subsection to a corporation formed and capitalized by a group of small-business concerns with resources provided by them for the purpose of obtaining for the use of such concerns raw materials, equipment,

inventories, supplies or the benefits of research and development, or for establishing facilities for such purpose, (A) the limitation of \$350,000 prescribed in paragraph (4) shall not apply, but the limit of such loan shall be \$250,000 multiplied by the number of separate small businesses which formed and capitalized such corporation; (B) the rate of interest for the Administration's share of such loans shall be no less than 3 nor more than 5 per centum per annum; and (C) such loan, including renewals and extensions thereof, may not be made for a period or periods exceeding ten years except that if such loan is made for the purpose of constructing facilities it may have a maturity of twenty years plus such additional time as is required to complete such construction.

(6) The Administrator is authorized to consult with representatives of small-business concerns with a view to encouraging the formation by such concerns of the corporation referred to in paragraph (5). No act or omission to act, if requested by the Administrator pursuant to this paragraph, and if found and approved by the Administration as contributing to the needs of small business, shall be construed to be within the prohibitions of the antitrust laws or the Federal Trade Commission Act of the United States. A copy of the statement of any such finding and approval intended to be within the coverage of this section, and any modification or withdrawal thereof, shall be furnished to the Attorney General and the Chairman of the Federal Trade Commission when made, and it shall be published in the Federal Register. The authority granted in this paragraph shall be exercised only (A) by the Administrator, (B) upon the condition that the Administrator consult with the Attorney General and with the Chairman of the Federal Trade Commission, and (C) upon the condition that the Administrator obtain the approval of the Attorney General before exercising such authority. Upon withdrawal of any request or finding hereunder or upon withdrawal by the Attorney General of his approval granted under the preceding sentence, the provisions of this paragraph shall not apply to any subsequent act or omission to act by reason of such finding or request.

(7) All loans made under this subsection shall be of such sound value or so secured as reasonably to assure repayment.

(b) The Administration also is empowered—

(1) to make such loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) as the Administration may determine to be necessary or appropriate because of floods or other catastrophes;

(2) to make such loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) as the Administration may determine to be necessary or appropriate to any small business concern located in an area affected by a disaster, if the Administration determines that the concern has suffered a substantial economic injury as a result of such disaster and if such disaster constitutes—

(A) a major disaster, as determined by the President under the Act entitled "An Act to authorize Federal assistance

to States and local governments in major disasters, and for other purposes", approved September 30, 1950, as amended (42 U.S.C. 1855-1855g), or

(B) a natural disaster, as determined by the Secretary of Agriculture pursuant to the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1961);

(3) to make such loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) as the Administration may determine to be necessary or appropriate to assist any small business concern in reestablishing its business, if the Administration determines that such concern has suffered substantial economic injury as a result of its displacement by a federally aided urban renewal or highway construction program or by any other construction conducted by or with funds provided by the Federal Government; and the purposes of a loan made pursuant to this paragraph may, in the discretion of the Administrator, include the purchase or construction of other premises whether or not the borrower owned the premises from which it was displaced.

(4) to make such loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) as the Administration may determine to be necessary or appropriate to assist any small business concern in reestablishing its business if the Administration determines that such concern has suffered substantial economic injury as a result of the inability of such concern to process or market a product for human consumption because of disease or toxicity occurring in such product through natural or undetermined causes.

No loan under this subsection, including renewals and extensions thereof, may be made for a period or periods exceeding twenty years. The interest rate on the Administration's share of any loan made under this subsection shall not exceed 3 per centum per annum, except that in the case of a loan made pursuant to paragraph (3), the rate of interest on the Administration's share of such loan shall not be more than the higher of (A) $2\frac{3}{4}$ per centum per annum; or (B) the average annual interest rate on all interest-bearing obligations of the United States then forming a part of the public debt as computed at the end of the fiscal year next preceding the date of the loan and adjusted to the nearest one-eighth of 1 per centum, plus one-quarter of 1 per centum per annum. In agreements to participate in loans on a deferred basis under this subsection, such participation by the Administration shall not be in excess of 90 per centum of the balance of the loan outstanding at the time of disbursement.

(c) The Administration may further extend the maturity of or renew any loan made pursuant to this section, or any loan transferred to the Administration pursuant to Reorganization Plan Numbered 2 of 1954, or Reorganization Plan Numbered 1 of 1957, for additional periods not to exceed ten years beyond the period stated therein, if such extension or renewal will aid in the orderly liquidation of such loan.

(d) The Administration also is empowered to make grants to any State government or any agency thereof, any State-chartered development credit or finance corporation, any land-grant college or university, any college or school of business, engineering, commerce, or agriculture, or to any corporation formed by two or more of the entities hereinabove described which are eligible to receive such grants, for studies, research, and counseling concerning the managing, financing, and operation of small business enterprises and technical and statistical information necessary thereto in order to carry out the purposes of section 8(b)(1) by coordinating such information with existing information facilities within the State any by making such information available to State and local agencies. The Administrator may recommend to grant applicants particular studies or research which are to be financed by such grants. The total of all grants (including amendments and modifications thereof) made under this subsection within any one State in any one year shall not exceed \$40,000. The Administration may require, as a condition to any grant (or amendment or modification thereof) made under this subsection, that an additional amount not exceeding the amount of such grant be provided from sources other than the Administration to assist in carrying out the purposes for which such grant is made: *Provided*, That if such grant or any part thereof is to be utilized for the purpose of providing counseling services to individual small business enterprises the Administration shall require that such additional amount be provided and in an amount which is equal to the amount of such grant. What constitutes such additional amount may be defined by the Administration.

SUBTITLE C OF THE CONSOLIDATED FARMERS HOME ADMINISTRATION ACT OF 1961, AS AMENDED (7 U.S.C. 1961-67)

SUBTITLE C—EMERGENCY LOANS

SEC. 321. (a) The Secretary may designate any area in the United States and in Puerto Rico and the Virgin Islands as an emergency area if he finds (1) that there exists in such area a general need for agricultural credit which cannot be met for temporary periods of time by private, cooperative, or other responsible sources (including loans the Secretary is authorized to make under subtitle B or to make or insure under subtitle A of this title or any other Act of Congress), at reasonable rates and terms for loans for similar purposes and periods of time, and (2) that the need for such credit in such area is the result of a natural disaster.

(b) The Secretary is authorized to make loans in any such area (1) to established farmers, ranchers, or oyster planters who are citizens of the United States and (2) to private domestic corporations or partnerships engaged primarily in farming, ranching, or oyster planting provided they have experience and resources necessary to assure a reasonable prospect for successful operation with the assistance of such loan, and are unable to obtain sufficient credit elsewhere to finance their actual needs at reasonable rates and terms, taking into

consideration prevailing private and cooperative rates and terms in the community in or near which the applicant resides for loans for similar purposes and periods of time.

SEC. 322. Loans may be made under this subtitle for any of the purposes authorized for loans under subtitle A or B of this title.

SEC. 323. The Secretary shall make no loan under this subtitle in excess of an amount certified by the county committee.

SEC. 324. The Secretary shall make all loans under this subtitle at a rate of interest not in excess of 3 per centum per annum repayable at such times as the Secretary may determine, taking into account the purpose of the loan and the nature and effect of the emergency, but not later than provided for loans for similar purposes under subtitles A and B of this title, and upon the full personal liability of the borrower and upon such security as the Secretary may prescribe.

SEC. 325. The Secretary may make loans without regard to the designation of emergency areas under section 321(a) to persons or corporations (1) who have suffered severe production losses not general to the area or (2) who are indebted to the Secretary for loans under the Act of April 6, 1949, as amended, or the Act of August 31, 1954, as amended, to the extent necessary to permit the orderly repayment or liquidation of said prior indebtedness.

SEC. 326. The Secretary is authorized to utilize the revolving fund created by section 84 of the Farm Credit Act of 1933, as amended (hereinafter in this subtitle referred to as the "Emergency Credit Revolving Fund"), for carrying out the purposes of this subtitle.

SEC. 327. (a) All sums received by the Secretary from the liquidation of loans made under the provisions of this subtitle or under the Act of April 6, 1949, as amended, or the Act of August 31, 1954, and from the liquidation of any other assets acquired with money from the Emergency Credit Revolving Fund shall be added to and become a part of such fund.

(b) There are authorized to be appropriated to the Emergency Credit Revolving Fund such additional sums as the Congress shall from time to time determine to be necessary.



Union Calendar No. 497

89TH CONGRESS
1ST SESSION

H. R. 11539

[Report No. 1164]

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 12, 1965

Mr. FALLON introduced the following bill; which was referred to the Committee on Public Works

OCTOBER 13, 1965

Committed to the Committee of the Whole House on the State of the Union
and ordered to be printed

A BILL

To provide assistance to the States of Florida, Louisiana, and Mississippi for the reconstruction of areas damaged by the recent hurricane.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Congress hereby recognizes that the States of
4 Florida, Louisiana, and Mississippi suffered extensive prop-
5 erty loss and damage as a result of Hurricane Betsy in 1965
6 (including, but not limited to, loss and damage from flood,
7 high waters, and wind-driven waters caused by such hurri-
8 cane) and that there is a need for special measures designed
9 to aid and accelerate these States in their efforts to provide

1 for the reconstruction of highways and public works projects,
2 and to otherwise rehabilitate these devastated areas.

3 SEC. 2. Notwithstanding any other provision of law,
4 trailers provided as a result of Hurricane Betsy as temporary
5 housing under clause (d) of section 3 of the Act entitled "An
6 Act to authorize Federal assistance to States and local gov-
7 ernments in major disasters, and for other purposes", ap-
8 proved September 30, 1950, as amended (42 U.S.C.
9 1855b), may be sold directly to the persons who are the
10 occupants thereof at prices that are fair and equitable.

11 SEC. 3. In the administration of the disaster loan pro-
12 gram under section 7 (b) (1) of the Small Business Act, as
13 amended (15 U.S.C. 636 (b)), in the case of property loss
14 or damage in the States of Florida, Louisiana, and Missis-
15 sippi resulting from Hurricane Betsy, the Small Business
16 Administration, to the extent such loss or damage is not com-
17 pensated for by insurance or otherwise, (1) shall at the
18 borrower's option on that part of any loan in excess of \$500,
19 (A) cancel up to \$1,800 of the loan, or (B) waive interest
20 due on the loan in a total amount of not more than \$1,800
21 over a period not to exceed three years; and (2) may lend
22 to a privately owned school, college, or university without
23 regard to whether the required financial assistance is other-
24 wise available from private sources, and may waive interest

1 payments and defer principal payments on such a loan for
2 the first three years of the term of the loan.

3 SEC. 4. In the administration of the emergency loan pro-
4 gram under subtitle C of the Consolidated Farmers Home
5 Administration Act of 1961, as amended (7 U.S.C. 1961—
6 67), in the case of property loss or damage in the States of
7 Florida, Louisiana, and Mississippi, resulting from flood,
8 high waters, or wind-driven water or uninsurable crop loss,
9 caused by Hurricane Betsy, the Secretary of Agriculture
10 shall, to the extent such loss or damage is not compensated
11 for by insurance or otherwise, at the borrower's option on
12 that part of any loan in excess of \$500, (1) cancel up to
13 \$1,800 of the loan, or (2) waive interest due on the loan in
14 a total amount of not more than \$1,800 over a period not to
15 exceed three years without regard to whether the required
16 financial assistance is otherwise available from private
17 sources.

18 SEC. 5. The Secretary of Housing and Urban Develop-
19 ment shall undertake an immediate study of alternative pro-
20 grams which could be established to help provide financial
21 assistance to those suffering property losses in flood and
22 other natural disasters, including alternative methods of
23 Federal disaster insurance, as well as the existing flood insur-
24 ance program, and shall report his findings and recommen-

1 dations to the President for submission to the Congress not
2 later than nine months after the appropriation of funds for
3 this study, except that the findings and recommendations
4 on earthquake insurance shall be reported to the President
5 for submission to the Congress not later than three years
6 after the appropriation of funds for this study.

7 SEC. 6. There is hereby authorized to be appropriated
8 not to exceed \$70,000,000 to carry out this Act, and such
9 sums shall remain available until expended.

10 SEC. 7. This Act, other than sections 5 and 6, shall not
11 be in effect after January 1, 1967, except with respect to
12 payment of expenditures for obligations and commitments
13 entered into under this Act on or before such date.

14 SEC. 8. This Act may be cited as the "Southeast Hurri-
15 cane Disaster Relief Act of 1965".

89TH CONGRESS
1ST Session

H. R. 11539

[Report No. 1164]

A BILL

To provide assistance to the States of Florida, Louisiana, and Mississippi for the reconstruction of areas damaged by the recent hurricane.

By Mr. FALLON

OCTOBER 12, 1965

Referred to the Committee on Public Works

OCTOBER 13, 1965

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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HIGHLIGHTS: Senate committee voted to report sugar bill. House passed hurricane relief bill. Senate passed bill to permit certain marketing orders to provide for paid advertising. Rep. Hall spoke favoring his cropland-restoration bill.

HOUSE

1. DISASTER RELIEF. Passed under suspension of the rules H. R. 11539, to provide assistance to Fla., La., and Miss. for the reconstruction of areas damaged by the recent hurricane. The bill includes a provision for cancellation or waiver of interest due on certain Farmers Home Administration loans. pp. 26219-26, 26261-2
2. RIVERS-HARBORS; FLOOD CONTROL. Received the conference report on S. 2300, the rivers-and-harbors and flood-control bill (H. Rept. 1170). pp. 26200-9
3. WATERSHEDS. Received notices of approval of certain watershed projects by the Agriculture and Public Works Committees. p. 26210
Rep. Grover commended the watershed program. pp. 26262-3
4. TARIFF. Passed under suspension of the rules H. R. 6568, to amend the Tariff Act

of 1930 to make permanent the existing temporary suspension of duty on copra, palm nuts, and palm-nut kernels, and the oils crushed therefrom. pp. 26216-9

5. WILDLIFE. Passed under suspension of the rules H. R. 9424, to provide for the conservation, protection, and propagation of native species of fish and wildlife, including migratory birds, that are threatened with extinction; to consolidate the authorities relating to administration by the Interior Department of the National Wildlife Refuge System; etc. pp. 26226-30, 26279
6. ADMINISTRATIVE LAW. Passed under suspension of the rules S. 1758, to provide for the right of persons to be represented in matters before Federal agencies. pp. 26230-2
7. REPORTS. Passed under suspension of the rules S. 2150, to discontinue or modify certain reports required by law. The bill discontinues the requirements for reports on tort claims, Puerto Rican relief loans, and farm housing needs. pp. 26233-5, 26279
8. PURCHASING. Passed under suspension of the rules S. 1004, to make title III of the Federal Property and Administrative Services Act directly applicable to procurement of property and nonpersonal services by executive agencies. pp. 26235-7
9. WATER CONSERVATION. Rep. Vigorito inserted an article, "Water Conservation Efforts: Washington Takes a Hand." p. 26251
10. CROPLAND RESTORATION. Rep. Hall spoke in support of his bill, H. R. 7184, to provide for cropland restoration. pp. 26256-7
11. MONETARY REFORM. Rep. Curtis inserted an article by Roy L. Reiersen, "Some Thoughts on International Monetary Reform." pp. 26263-7

SENATE

12. SUGAR. The "Daily Digest" states that the Finance Committee voted to report (but did not actually report) "with an amendment in the nature of a substitute bill," H. R. 11135, the sugar bill, and that "as approved by the committee, the bill would embody an amended version of S. 2567, the administration's proposal." p. D1032
13. LUMBER. Passed without amendment H. R. 10198, to amend the requirements relating to lumber under the Shipping Act, 1916, so as to restore the tariff filing requirements with respect to ocean shipments of hardwood lumber. This bill will now be sent to the President. p. 26304
14. MARKETING ORDERS. Concurred with an amendment (to include olives and pecans) to the House amendment to S. 2092, to permit inclusion of provisions for paid advertising in marketing orders applicable to celery, sweet corn, limes, or avocados. pp. 26295-96
15. VETERANS' AFFAIRS. Sen. Yarborough urged passage of the cold war GI bill and inserted a supporting article. pp. 26296-98

ing domestic users of coconut oil, we believe that the quotas provided for in the bill, accompanied by a waiver of the discriminatory duty on non-Philippine copra, will provide benefits for all concerned by 1968, we will have a much better idea of what a permanent solution should be.

The bill also provides for the repeal of the processing taxes which have been suspended since 1957. These suspensions have become pretty much automatic, and there is no objection from any source to this section of the bill. Our only problem arose in attempting to satisfy the domestic users of coconut oil who objected to the payment of a duty on Philippine oil required in excess of the duty-free quotas, and the interest of a few domestic crushers who rightly contended that they could hardly stay in business if coconut oil was admitted duty free, that they could not buy copra—the raw material—without the payment of a duty.

I also believe it should be said at this point that as far as the competition is concerned between coconut oil and domestic edible oils, while that used to be a problem some number of years ago and that is why in the first instance a processing tax was imposed, we have suspended this processing tax for a number of years simply because there is not the competitive situation existing today that used to exist some 10 years ago. So that really is not the issue any more.

What we are trying to do here through the passage of this bill is to maintain, in a sense, the status quo as far as the importation or the payment of duty is concerned on coconut oil coming from the Philippines and get something in return for our copra processors in this country: namely, a relaxation of the preference which in effect means that you can only purchase copra from the Philippines. We made the implementation of this legislation depend on whether the Philippines agrees to waive the preference which they now enjoy in the sale of copra to this country.

Also, we have suggested in our report to the department involved—and you will note it referred to on page 5 of the committee report, that we hope the executive branch in consulting with the Government of the Philippines will also discuss with them the attitude on the part of the Philippines today which we think is unreasonable and which restricts our edible oils going into the Philippine Islands. It is our hope that by acting in this way they in return will reciprocate; not only insofar as their attitude toward copra is concerned, but that they will also yield in their restrictive attitude toward the exportation of other oils from this country to the Philippines.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. Yes, surely.

Mr. GROSS. We are taking a tangible action here today in the House to lower the tariff.

Mr. BYRNES of Wisconsin. For 1 year; and we point out that as far as next year's increase in quota is concerned, it shall not go into effect unless the Philip-

pinos provide this waiver to which I have referred. So this is not a completely self-operating piece of legislation.

Mr. GROSS. If the gentleman will yield further, I am glad to hear that it is limited and that it is limited to 1 year. But, again, we get this story of "we hope the Philippines" or we hope someone else in some foreign country will do something.

Some of us are going to die in despair around here in this business of hoping that they are going to be reciprocal in their approach to us.

Mr. BYRNES of Wisconsin. I think if the gentleman will study the report and will study the hearings he will discover that this bill is more for the benefit of this country and the domestic consumers than it is for the Philippines.

The situation we find is that the Philippines is today the exclusive source for copra. Because they are the exclusive source we seek a mechanism to make them at least move in the direction of easing the situation as reflected by their attitude toward some products that are exported from this country to the Philippines. But whether they agree or not, I think this legislation would be good legislation without this condition simply because the fundamental benefit is going to be for our people.

Mr. HALL. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Missouri.

Mr. HALL. I am glad to see our legislative body keeping its finger on this, as well as keeping the Reciprocal Trade Act that you have just so well explained as a basis for our negotiations.

Can the gentleman tell me why this amendment that further amends the Tariff Act of 1931 is needed in addition to the so-called Reciprocal Trade Agreement Act of 1962 which authorizes the President to reduce all tariffs up to 50 percent?

Mr. BYRNES of Wisconsin. It arises out of the fact we have a special agreement that was entered into with the Philippines, I think first in 1946, and then was revised in 1959, that gives special privileges. It gives preferential treatment to the Philippines in connection with a number of items, including coconut oil and copra. We have agreed, for instance, they will always have a 2-cent-per-pound tariff differential in their favor. We cannot import coconut oil from any other country unless we charge them 2 cents more per pound in duty than we charge the Philippines. That is what we ask them to waive.

Mr. HALL. The gentleman is saying this is not embraced by the Reciprocal Trade Agreement.

Mr. BYRNES of Wisconsin. This is a special agreement. We have an understanding with GATT that recognizes such agreements that we have with the Philippines, entered into as a step in their independence.

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds having voted in favor thereof) the

rules were suspended and the bill was passed.

The title was amended so as to read: "A bill to amend the Tariff Act of 1930 to make permanent the existing temporary suspension of duty on copra, palm nuts, and palm-nut kernels, and the oils crushed therefore, and for other purposes."

SOUTHEAST HURRICANE DISASTER RELIEF ACT OF 1965

Mr. JONES of Alabama. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 11539) to provide assistance to the States of Florida, Louisiana, and Mississippi for the reconstruction of areas damaged by the recent hurricane.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby recognizes that the States of Florida, Louisiana, and Mississippi suffered extensive property loss and damage as a result of Hurricane Betsy in 1965 (including, but not limited to, loss and damage from flood, high waters, and wind-driven waters caused by such hurricane) and that there is a need for special measures designed to aid and accelerate these States in their efforts to provide for the reconstruction of highways and public works projects, and to otherwise rehabilitate these devastated areas.

SEC. 2. Notwithstanding any other provision of law, trailers provided as a result of Hurricane Betsy as temporary housing under clause (d) of section 3 of the Act entitled "An Act to authorize Federal assistance to States and local governments in major disasters, and for other purposes", approved September 30, 1950, as amended (42 U.S.C. 1855b), may be sold directly to the persons who are the occupants thereof at prices that are fair and equitable.

SEC. 3. In the administration of the disaster loan program under section 7(b)(1) of the Small Business Act, as amended (15 U.S.C. 636(b)), in the case of property loss or damage in the States of Florida, Louisiana, and Mississippi resulting from Hurricane Betsy, the Small Business Administration, to the extent such loss or damage is not compensated for by insurance or otherwise, (1) shall at the borrower's option on that part of any loan in excess of \$500, (A) cancel up to \$1,800 of the loan, or (B) waive interest due on the loan in a total amount of not more than \$1,800 over a period not to exceed three years; and (2) may lend to a privately owned school, college, or university without regard to whether the required financial assistance is otherwise available from private sources, and may waive interest payments and defer principal payments on such a loan for the first three years of the term of the loan.

SEC. 4. In the administration of the emergency loan program under subtitle C of the Consolidated Farmers Home Administration Act of 1961, as amended (7 U.S.C. 1961-67), in the case of property loss or damage in the States of Florida, Louisiana, and Mississippi, resulting from flood, high waters, or wind-driven water or uninsurable crop loss, caused by Hurricane Betsy, the Secretary of Agriculture shall, to the extent such loss or damage is not compensated for by insurance or otherwise, at the borrower's option on that part of any loan in excess of \$500, (1) cancel up to \$1,800 of the loan, or (2) waive interest due on the loan in a total amount of not more than \$1,800 over a period not to exceed three years without regard to whether the required financial assistance is otherwise available from private sources.

SEC. 5. The Secretary of Housing and Urban Development shall undertake an Imme-

diate study of alternative programs which could be established to help provide financial assistance to those suffering property losses in flood and other natural disasters, including alternative methods of Federal disaster insurance, as well as the existing flood insurance program, and shall report his findings and recommendations to the President for submission to the Congress not later than nine months after the appropriation of funds for this study, except that the findings and recommendations on earthquake insurance shall be reported to the President for submission to the Congress not later than three years after the appropriation of funds for this study.

SEC. 6. There is hereby authorized to be appropriated not to exceed \$70,000,000 to carry out this Act, and such sums shall remain available until expended.

SEC. 7. This Act, other than sections 5 and 6, shall not be in effect after January 1, 1967, except with respect to payment of expenditures for obligations and commitments entered into under this Act on or before such date.

SEC. 8. This Act may be cited as the "Southeast Hurricane Disaster Relief Act of 1965".

The SPEAKER. Is a second demanded?

Mr. CRAMER. Mr. Speaker, I demand a second.

Mr. JONES of Alabama. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. JONES of Alabama. Mr. Speaker, I yield myself 5 minutes.

(Mr. JONES of Alabama asked and was given permission to revise and extend his remarks.)

Mr. JONES of Alabama. Mr. Speaker, I am privileged to appear on this floor today as the chairman of the Subcommittee on Flood Control of the Committee on Public Works, and report to this body that the legislation which is being considered at this moment is needed and necessary legislation. It comes into being as a direct result of a trip taken to the State of Louisiana recently by the Subcommittee on Flood Control. We visited the devastated areas of New Orleans and Baton Rouge and held public hearings. We heard testimony from Federal, State, and local officials and private individuals as to the magnitude of Hurricane Betsy.

It appears that in the terms of the numbers of people affected and in the terms of monetary loss the damages caused to the States of Florida, Louisiana, and Mississippi by this hurricane of September 1965, may be greater than any of the previous natural disasters.

H.R. 11539, the legislation we consider today we believe will go a long way toward restoring the area to its full scale vitality. I point out that it operates within the framework of existing law and will provide, to those individuals who suffered damage by this disaster, relief for housing, property loss, and crop damage. It will as well, by acting again within the framework of existing law, go a long way to help replace the damaged schools in the area. The legislation authorizes some \$70 million for the purposes of the bill which in essence would waive at the borrower's option up to \$1,800 of

a loan issued by the Small Business Administration if the loan is in excess of \$500 to begin with or would allow interest to be waived on such loan for a period of 3 years but once again not in excess of \$1,800.

In the case of the farmers who are affected by this legislation as well as stockmen and oyster planters in the affected areas the Farmers Home Administration will be allowed to give additional assistance to these people and as in the case of the Small Business Administration where a loan is in excess of \$500 cancel up to \$1,800 of such loan or waive the interest due on the loan up to \$1,800 over a period of three years all without regard to whether required financial assistance is otherwise available from private sources.

Mr. Speaker, may I say between January and September of this year the Subcommittee on Flood Control of the Committee on Public Works has taken six separate trips to various disaster stricken areas of our country from the Pacific coast to the Gulf of Mexico. We believe these trips have been effective not only as a physiological stimulus to the people whom we visited in the areas and where we held hearings but have as well provided concrete results in the increased authorizations for existing projects, and definite legislation as in the case of Louisiana, Mississippi, and Florida which we consider today.

In the States of Louisiana, Florida, and Mississippi between 800,000 and 1 million people were affected by the hurricane. Over 1,500 homes were destroyed and more than 150,000 homes were damaged.

There were 2,000 trailers damaged or destroyed and 1,400 farm buildings and 2,600 small businesses.

It is obvious that these people must receive all the help possible. I pay great tribute today to the various Federal agencies which immediately moved into these areas and did so much for the regions that were affected. However, I believe that legislation such as H.R. 11539 is needed and is necessary. I trust this body will pass this legislation today.

Mr. BOGGS. Mr. Speaker, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from Louisiana.

Mr. BOGGS. I should like to commend the gentleman and all of his colleagues on the Public Works Committee, including the gentleman from Florida [Mr. CRAMER] the ranking Republican member of the committee.

I should like especially to commend the Members on both sides of the aisle who took time off on a busy weekend and gave up their whole weekend to go to Louisiana and take testimony on the damage done in Florida, Mississippi, and Louisiana.

I should also like to commend the gentleman from Alabama and the members of the Committee on Public Works on the breadth of the proposed legislation. As the gentleman from Indiana knows, hearings have been conducted by the gentleman's committee on the need for general legislation.

I think what the gentleman is trying

to do is to take care of the situation in the manner in which we took care of the situation in Alaska, the Northwest, and elsewhere where disasters have recently occurred, and at the same time anticipate the passage of a general bill in the future, and also you are taking a real look at the need for flood and earthquake insurance. I commend the gentleman and everyone associated with him.

This bill is vitally important to the States affected and will bring measurable relief to a great many people.

Mr. Speaker, the recent Hurricane Betsy which struck Florida, Mississippi, and my State of Louisiana, was the worst natural disaster ever to strike the North American Continent, in terms of property losses. Many millions in insurable losses were suffered by homeowners, farmers, small businessmen, and by colleges and universities in south Louisiana, the area which received the most severe blow from Hurricane Betsy.

The Southeast Hurricane Disaster Relief Act, which we are considering in the House today, is a most important piece of legislation to the stricken people of my State, and those of Florida and Mississippi, many of whom suffered almost irreparable losses from Betsy's wrath. This legislation will bring sorely needed financial assistance in those areas where existing law does not provide adequate relief. Homeowners, farmers, fishermen, small businessmen, and private schools, colleges and universities, will be able to obtain more financial aid than is now available on their property losses by flood, high waters, and wind-driven waters. In cases, where their property losses from flooding, high waters, and wind-driven waters exceeds \$500, the homeowners, farmers, and small businessmen will be able to obtain a "forgiveness" up to a maximum of \$1,800, from the Small Business Administration, or from the Farmers Home Administration, or they will have an option to waive the interest due on a loan of up to a maximum of \$1,800, and to have more liberal repayment terms.

Schools, colleges, and universities, privately owned or religiously supported, will be able to get SBA loans without regard to whether the needed financial aid can be obtained from private commercial sources. These institutions, many of which sustained severe damages from the hurricane, also will be able to waive interest payments and defer principal payments on such loans for the first 3 years of the term of the loans.

This legislation also will permit those citizens who are living in Government-owner trailers, like those being provided to people at Grand Isle, to buy these trailers at fair and equitable prices.

In addition, the bill also provides for a comprehensive study of the whole field of Federal disaster assistance and relief, including various methods for offering Federal disaster insurance such as the existing Flood Insurance Act enacted by Congress in 1956.

From this thorough study, a report on findings and recommendations will be made to the President—with the end result that such special legislation for each

individual major disaster may not be necessary in the future.

Mr. Speaker, this legislation is the result of a fully cooperative effort between the legislative and the executive branch. It is the product of many good minds, and it has the support of the administration and of the Bureau of the Budget. It is vitally needed for the stricken people of Louisiana, Florida, and Mississippi, because with Hurricane Betsy, the destruction was so widespread—the misery and suffering so great—and the property losses so extensive—that existing law for these citizens and for private schools and colleges is not adequate.

There are so many people who deserve thanks for their cooperation and their help in bringing this legislation to the attention of Congress for its action. My distinguished colleague from Alabama, Mr. BOB JONES, who heads the Public Works Subcommittee on Flood Control, has really been the leader in drafting and presenting this legislation. His genuine concern for the people of my State, and of Florida and Mississippi, is most heartening. He directed the conduct of thorough hearings in New Orleans and Baton Rouge before this legislation was drafted. He gathered the necessary testimony and facts to emphasize the need for this legislation.

Mr. JONES of Alabama. I thank the gentleman from Louisiana.

The problems that were presented in this disaster were unique from all the rest we considered. For that reason, I believe all members of the committee have been very skillful in drafting the relief that would be responsive to the despair of the people of that area.

Mr. MORRISON. Mr. Speaker, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from Louisiana.

Mr. MORRISON. I wish to commend the gentleman for the outstanding and very diligent and wonderful work that he has done on this legislation. As I heard my distinguished colleague from Louisiana [Mr. Boggs] say, the amount of time and sacrifice that you and the other members of the committee put forth in going to Louisiana was a most outstanding and unselfish job. No chairman or members of this committee have ever worked any harder, and the results today, in passing this emergency and needed legislation is truly a masterpiece of work. I certainly wish to thank the gentleman and to say that I think that this has certainly been a very outstanding job and one that is most appreciated.

Mr. JONES of Alabama. I thank the gentleman.

Mr. HEBERT. Mr. Speaker, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from Louisiana [Mr. HEBERT].

Mr. HEBERT. I wish to join with my colleagues in their expression of gratitude to the gentleman from Louisiana and his colleagues on the committee who visited Louisiana and held on-the-spot hearings.

This legislation is perhaps some of the most important that has come before this body in many years. I believe the

thanks of the Nation go to the gentleman from Alabama, as well as the thanks of those of us who come from Louisiana, who are immediately affected, and of the people of Mississippi and Florida.

This is emergency legislation of the moment, but carried in the bill is a more important item relating to future legislation which will be based upon this type of legislation. It is to be hoped that in the future, under the splendid leadership of the gentleman from Alabama, if ever a hurricane, tornado, earthquake or flood should occur in another section of this Nation, the people of that area will not be compelled to wait for emergency legislation. In the future they will know immediately.

In this particular instance, as has been pointed out, under the law the Government could do no more than it did. It did a magnificent job. It did a splendid job. But now we need this additional emergency legislation, which I hope will be a pattern for the future, for permanent legislation.

Again I express the thanks of the people of Louisiana in my district, who probably were struck harder than any other section of the Nation, to the gentleman from Alabama, and his committee.

Mr. WILLIS. Mr. Speaker, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from Louisiana [Mr. WILLIS].

Mr. WILLIS. Mr. Speaker, I wish to associate myself with everything that has been said, and I commend the gentleman from Alabama and his colleagues on the committee, as well as the members of his staff.

This is a good bill. It will bring deserved relief. I appreciate the bipartisan spirit which has brought it to the floor.

Mr. JONES of Alabama. I assure the gentleman that it has been a bipartisan spirit. The Members on the left of us have been as diligent, as earnest, and as devoted to the cause as any Member of the majority.

Mr. PASSMAN. Mr. Speaker, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from Louisiana [Mr. PASSMAN.]

Mr. PASSMAN. I thank the distinguished gentleman from Alabama. I believe I speak for all of the wonderful people of the great State of Louisiana, especially those of the Fifth Congressional District, when I say thank you very, very much for moving into action and getting this needed legislation passed during the present session of the Congress. It is especially pleasing to me to see the Congress give the same consideration to Americans that we have been extending to many foreign nations, and that is interest-free money, in fact, the right of cancellation of loans as well as outright grants. To do as much for our own people is not more than should be expected.

Many of my fellow Louisianians have lost their life's savings, and without a helping hand from their Government, and for that matter, their neighbors and

organizations that are in position to help, they would never be able to become sufficiently rehabilitated to pick up the loose ends and try to replace that which has been lost.

(Mr. PASSMAN asked and was given permission to revise and extend his remarks.)

Mr. EDWARDS of Louisiana. Mr. Speaker, I wish to join with my colleagues in their support of H.R. 11539, a bill which will provide assistance to the States of Louisiana, Florida, and Mississippi, for assistance in the reconstruction of areas damaged by the recent Hurricane Betsy.

I have just been confirmed by the House of Representatives as a Member from the Seventh District of Louisiana, and I consider it a privilege to have as my first duty the opportunity to join in the views of my colleagues and to vote for this bill, which will do much to mitigate the tremendous losses caused by Hurricane Betsy with which you are all familiar.

From what I understand, the damage caused by Hurricane Betsy is the worst of record in the United States. Betsy's September 1965 smash of the Gulf Coast was one of the most destructive in all history. Even experienced disaster workers were appalled more and more every day as storm victims continued to register for long term recovery help in rebuilding their lives and homes.

When it is realized that approximately 1 million persons were adversely affected by the hurricane, some conception can be gained of the magnitude of the disaster. The only other natural catastrophe that equals this devastation was the 1937 Ohio-Mississippi River flood, which forced over a million persons from their homes.

In the case of Betsy, over 1,500 homes were destroyed and more than 150,000 damaged. In addition, there were 2,000 trailers that were damaged or destroyed, as well as 1,400 hundred farm buildings and 2,600 small businesses.

I join with my colleagues in complimenting the members of the Public Works Committee in taking immediate action. A special subcommittee of the full committee was sent to the area to inspect the damage and to meet with Federal, State and local officials. The subcommittee held hearings on September 25 and 26, 1965, in New Orleans and Baton Rouge, to determine what the Federal Government and Congress could do to provide additional relief to the area affected by Hurricane Betsy.

On October 13, 1965, the Committee on Public Works held hearings on H.R. 11539, and related bills, in Washington, and testimony was received from Members of Congress and representatives of the executive branch of the Government.

The bill has been ably described by the chairman of the subcommittee, ROBERT E. JONES, of Alabama, and I shall not repeat the provisions of the bill. However, it does provide for assistance in the way of cancellation of a portion of loans or waivers of interest, in addition to other financial aid. It is my opinion that it is a forward step in providing for assistance

by the United States to the residents of an area so severely devastated, and one of the most far reaching steps it has been my fortune to experience in the workings of the Federal Government. I am tremendously impressed by this bill.

Mr. Speaker, I hope that this bill will receive favorable action by the House.

(Mr. EDWARDS of Louisiana asked and was given permission to revise and extend his remarks.)

Mr. WAGGONER. Mr. Speaker, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from Louisiana [Mr. WAGGONER].

Mr. WAGGONER. Mr. Speaker, I wish to express my personal appreciation to the chairman of the Committee on Public Works, the gentleman from Maryland, Mr. FALLON; to the chairman of the subcommittee, Mr. JONES of Alabama; and indeed to the entire committee for the consideration they have given to those who have suffered so much because of Hurricane Betsy. The people of Louisiana appreciate what you are doing I assure you.

I express the hope that from this legislation will come new recommendations or legislation which will be long standing and corrective in nature, and will assist others, as time goes by, who find themselves in similar conditions. Perhaps from this will come flood control insurance which will be meaningful.

(Mr. WAGGONER asked and was given permission to revise and extend his remarks.)

(Mr. LONG of Louisiana (at the request of Mr. WAGGONER) was granted permission to extend his remarks at this point in the RECORD.)

Mr. LONG of Louisiana. Mr. Speaker, I rise in support of H.R. 11539, a bill to provide assistance to the States of Florida, Louisiana, and Mississippi, for damages caused by the unforgettable hurricane, Betsy.

Hurricane disaster has been frequent to the people of Louisiana, as well as to other Gulf States. Because of such frequency, and consequential damage to life and property, it is entirely appropriate that the Congress of the United States act to provide assistance to the people of Louisiana, Florida, and Mississippi in their time of emergency need.

The unprecedented and unequalled extent of financial loss caused by Hurricane Betsy sustains and cogently advances the idea that individuals alone cannot shoulder the loss inflicted upon them by the elements. It is, therefore, the duty of this Congress to enact appropriate legislation to bridge the gap in the rebuilding of affected areas. This bill will provide that assistance and I strongly urge its final passage.

I am extremely grateful to the Honorable ROBERT E. JONES of Alabama, and his Subcommittee on Flood Control for their visit to Louisiana; and to Chairman FALLON of the Public Works Committee, my colleagues from Louisiana, and other Members of this body, who have worked so hard to develop H.R. 11539.

Mr. FASCELL. Mr. Speaker, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from Florida.

Mr. FASCELL. Mr. Speaker, the Gulf Shore States have suffered severely at the hands of hurricanes many times in the past as have all of the littoral Atlantic States. However, this past September Louisiana and nearby Mississippi suffered the worst blow of all time when Hurricane Betsy struck after having hit Florida where it caused severe damages.

Damages in Florida have been estimated at over \$100 million, and that in Louisiana and adjoining Mississippi has been estimated variously from \$1 to \$2 billion, and many precious lives were lost.

Under Public Law 875 many Federal agencies rushed in with food, temporary shelter, clothing, undertaking protective and preventive health measures, repair crews for roads, communications utilities, and levees.

Countless lives were saved and much good has been accomplished, but, as in the past, there is the inevitable aftermath which leaves thousands still homeless, without jobs and saddled with debts for property which has been destroyed or damaged so as to require extensive costly repair. Many businesses have been wiped out—resulting in unemployment for many and bankruptcy for the owners and operators. Numerous communities still lack functioning public facilities, schools, churches, and other institutions remain closed or were destroyed.

Assistance under Public Law 875 is unable to cope with a disaster of the caliber attained by hurricane "Betsy."

H.R. 11539, which is identical to my bill, H.R. 11574, is directed toward mending this situation.

Trailers brought in to house victims are still needed. Construction of permanent housing in the ordinary sense will require years to replace the homes wrecked by Betsy. The bill would authorize the sale of these trailers to the present occupants at a fair price.

The bill would assist small business to assume activities and again give useful employment by permitting cancellation of part of existing Small Business Administration loans, or waiving interest payments for a period. This would in many cases enable small shops and service establishments and the like to resume a useful life, serving the community by meeting their needs and by giving employment.

Provision is made for loans on generous terms to private educational institutions which suffered grievously at the hands of Hurricane Betsy. These three States have a high proportion of such institutions and many now have limited resources.

Inevitably much agricultural loss is suffered in a disaster of this type. Entire crops were destroyed leaving farmers with no income, but in many instances saddled with debts incurred for purchase of seed and fertilizer, and for labor. This bill would provide relief for these unfortunates so that they may resume activities.

The act would also direct the Housing and Urban Development Department to undertake a long-needed re-study of the overall problem of disaster relief to develop a program of insurance against property loss which might serve to avert the necessity for extensive specialized legislation such as is embodied in H.R. 11539. Americans are willing to stand on their own two feet even after suffering at the hands of mother nature if only given a helping hand.

H.R. 11539 will, by utilization of the \$70 million it would authorize, extend this helping hand so that the people of three States who have suffered a crippling blow may once again become productive citizens.

On behalf of the people of the congressional district I represent I express my deep appreciation to the distinguished gentleman from Alabama [Mr. JONES], chairman of the Subcommittee on Flood Control and the distinguished chairman, Mr. FALLON, of Maryland, and the ranking minority member, Mr. CRAMER, of Florida, and all members of the Subcommittee and the full Committee on Public Works for their prompt response and action to and for the distress and the needs of the people who have been seriously damaged and inconvenienced.

Mr. Speaker, I urge unanimous approval of this legislation.

(Mr. FASCELL asked and was given permission to revise and extend his remarks.)

Mr. PEPPER. Mr. Speaker, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from Florida [Mr. PEPPER.]

Mr. PEPPER. Mr. Speaker, I wish to join my colleagues in the highest commendation to the able gentleman from Alabama who is now in the well and who was the chairman of the subcommittee handling this legislation and also particularly commend our distinguished colleague from Florida [Mr. CRAMER], the ranking minority member of that great Committee on Public Works, for the promptness and thoroughness with which this splendid committee has investigated and responded to the needs of the people in these three States who have been the victims of this hurricane. I especially wish to commend the committee for their farsightedness in including section 5 which lays the groundwork for the hope that we will be able to enact in the next session of this Congress legislation of far-reaching importance that will meet these situations as they arise and meet them adequately as they come along, without the Congress having to deal with each case individually. I think it is a very significant piece of legislation. For my people and myself I wish to commend the able gentleman and his colleagues for the great work they have done.

Hurricane Betsy struck a vicious blow to the people in the heavily populated south Florida area. In Dade County alone, the county manager of our metropolitan county government has estimated

the damage to private property totaled \$111,284,500 and the additional damage to public property \$5,103,000.

Much of this damage was water damage for which the victims of the hurricane cannot obtain compensation under existing insurance policies. These losses must be sustained by the individual homeowner and the small businessman, unless a compassionate Federal Government sees fit to help these homeowners and businessmen, to compensate them for losses against which they can obtain no other protection, to extend to them the heartfelt sympathy of the American people to those who have suffered, through no fault of their own, a serious misfortune.

The provisions of this bill, which I have cosponsored, would permit the Small Business Administration to recognize the individual hardships of those who obtain SBA disaster loans by waiving part of the interest due on the loan or by cancelling part of the loan in excess of the first \$500. This will give a greater flexibility to the administration of the present disaster loan program and relieve to a greater degree the hardship imposed by these property losses.

I am happy to be a sponsor of this legislation with my distinguished colleague, the gentleman from Florida, Representative DANTE FASCELL, also from Dade County, and with the distinguished Members of the Louisiana and Mississippi delegations in this body.

(Mr. PEPPER asked and was given permission to revise and extend his remarks.)

Mr. ROUSH. Mr. Speaker, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from Indiana.

Mr. ROUSH. Mr. Speaker, I thank the gentleman for yielding, and I commend him for bringing this particular piece of legislation to the floor of the House. I hope it will pass unanimously. I am especially grateful to the gentleman for undertaking hearings on the omnibus disaster legislation. Many of us who have lived through one of these disasters, as we have in my district, know that there is a need for a complete overhaul of the existing acts which presently are on the statute books. There have been over 40 disasters declared as such since January 1964 in the United States. There are presently still 30 some of these still existing as disaster areas. I would hope that this would point up to the House the need for an overhaul of our disaster legislation so that it would not be necessary for us to come to the House each time we have a natural disaster. I thank the gentleman for yielding.

The SPEAKER pro tempore (Mr. Boggs). The time of the gentleman from Alabama has expired.

Mr. JONES of Alabama. Mr. Speaker, I yield myself 2 additional minutes, and I now yield to my colleague from Mississippi [Mr. COLMER].

(Mr. COLMER asked and was given permission to revise and extend his remarks.)

Mr. COLMER. Mr. Speaker, as one of the cosponsors of this legislation, I desire

to associate myself with the remarks made by those who have preceded me in the discussion of this bill. Hurricane Betsy was one of the most erratic and damaging of all the hurricanes which have visited their wrath upon the coastal lines of the States of Florida, Louisiana, and Mississippi. It even exceeded the damage wrought by the 1947 hurricane which caused much damage to my own beautiful coast of Mississippi. Betsy, after an erratic course in both the Atlantic Ocean and the Gulf of Mexico, was aimed directly at the Mississippi gulf coast. Fortunately for my people, its course again was changed and its full fury hit the city of New Orleans and the adjoining areas of Louisiana. Even so, my own area along the Mississippi coast did not escape unscathed. Much damage was done to that area. While the damage there was not comparable to the New Orleans area some 50 miles to the west, the damage was nevertheless substantial. The seawalls constructed at a cost to the taxpayers of the Mississippi coast were substantially damaged. The fishing industry which means so much to the economy of that section also suffered substantial damage. Likewise, many private homes and property felt the fury with resultant damage of this hurricane.

The purpose of the bill, Mr. Speaker, is to assist the people and the local governments of these three States to rehabilitate themselves and assist in the recovery from the losses sustained in this severe storm. This is a humanitarian effort which I am sure will receive the support of the people of all of the States of the Union and, therefore, I am glad to have a small part in relieving the suffering and the losses incurred by this hurricane.

Mr. RIVERS of Alaska. Mr. Speaker, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from Alaska.

Mr. RIVERS of Alaska. Mr. Speaker, I want to say that I am particularly cognizant of the impact of a great natural catastrophe because of my memory of the Alaskan earthquake. I am proud to be on the full Committee on Public Works and worked very closely with the subcommittee in drafting this legislation.

Mr. JONES of Alabama. Mr. Speaker, may I say that the gentleman from Alaska gave us valuable information based on the experience he has had with such things in Alaska. He was quite helpful in the draftsmanship of this legislation.

Mr. RIVERS of Alaska. I thank the gentleman, and I rise in full support of this legislation.

Mr. CRAMER. Mr. Speaker, I yield myself 8 minutes.

Mr. Speaker, I concur in the remarks, generally, of the gentleman from Alabama, my distinguished colleague, who has held many conferences with many of the department heads in the executive branch of the Government, trying to get together a bill that makes sense, that the House will accept, that will do some real, substantial good, and that

will give some needed help to the people in the areas affected.

Hurricane Betsy was one of the most devastating hurricanes in recent history. The estimated damage of that hurricane is \$2.5 billion, the largest portion of which, in excess of \$2 billion, was in the State of Louisiana; about one-quarter billion dollars in the State of Mississippi; and about \$119 million in the State of Florida.

We knew that legislation was contemplated, after the damage took place. We knew that the Pacific Northwest Disaster Relief Act of 1965 had been acted upon in this session of Congress, and we realized further that the relief contained therein, being partially regional in character, did not provide adequate relief for the rest of the Nation and, in this instance, to the States of Mississippi, Louisiana, and Florida.

Discussions started about the type of legislation that would be proper at this late date in the session. Could we possibly get to the consideration of general legislation relating to disaster relief throughout the Nation? I wholeheartedly subscribe to the basic thesis, as I am sure the gentleman from Alabama and other members of the committee do, that this is a subject that must be treated as soon as possible on a nationwide basis. For that reason the committee last week started hearings on this subject matter.

This bill does bring within the existing program the present administrative agencies, and requires no new administrative agencies, no additional personnel except, perhaps, for study purposes, as to what the permanent solution should be. It is within the framework of what I believe at this late date should be done by our committee, taking the existing programs and thoroughly exploring the possibilities with the executive agencies as to what could be done at this late hour that would give immediate relief to those persons who suffered from this terrible disaster.

This is one of the toughest bills we have gotten into. It is one of the toughest problems that we have to meet. I say unequivocally, so far as this Member is concerned, that it will be my intention and it appears to be the intention of the majority likewise, to take this matter up in detail, with continuing hearings early next year and studying the matter during the recess period. We all realize the importance of treating the problem of any future disasters that may strike any community, because the people of these communities in this Nation should know what relief is available and what relief should be made available through State and local communities, as well as through the Federal Government.

Mr. JONES of Alabama. Mr. Speaker, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman.

Mr. JONES of Alabama. That is the intent and will be the intent of the committee, to address itself to that problem and to make suitable studies of the legislative requirements to meet these hazardous circumstances once they arise. I

can assure the gentleman from Florida that it will not go without attention.

Mr. CRAMER. I will say to the gentleman that back in 1928 when I had just gone to Florida we had one of the worst storms in the history of this Nation. It almost knocked our roof off; it was almost blown off. I know what it is to go through one of these terrible storms. So I am not unsympathetic to the problem involved so far as Florida is concerned.

In Florida we suffered an estimated damage of \$119,060,000 of which \$9,100,000 was public property damage. Under the present law, passed in 1950 and amended subsequently, only \$1,546,000 is eligible for Federal assistance. Under the present program, Public Law 875, which I think is one of the best indications of the situation, only \$1,500,000 out of nearly \$120 million is eligible for Federal assistance. The severity of the situation even in the State of Florida is demonstrated by the Red Cross reports which indicate that there were thousands of homes that were either destroyed or suffered major and minor damage. One hundred ninety-three trailers were destroyed and 955 were damaged. A total of over 5,000 families suffered some loss as a result of the disaster.

It is estimated that there will be 50,000 claims by the insurance industry which will be filed resulting in payments of between \$25 and \$28 million.

At the outset, Mr. Speaker, let me say that there is nothing in this legislation nor is it intended to discourage in any way, but rather to encourage the private property owners to insure against losses which are insurable; as a matter of fact insurable losses—not only insured losses, but insurable losses, meaning nonwater damage risks and that those insurable losses are not covered by this legislation. I believe it is important to note that only uninsurable losses are specifically spelled out in section 4.

Mr. Speaker, I would like to ask the gentleman from Alabama [Mr. JONES] whether or not my understanding is correct, having helped draft the legislation, that it is the intention of the committee that section 3 likewise should cover as a matter of administrative procedure uninsurable losses?

Mr. JONES of Alabama. Mr. Speaker, if the gentleman will yield, the gentleman is exactly correct. Most of section 4 items were in the sugarcane operation and therefore they were covered under the existing law at 80 percent. Therefore, the gentleman from Florida in writing up the provisions to which he has just referred did not think it was necessary to write it into section 4.

Mr. CRAMER. I am glad the gentleman concurs, because I personally was of the opinion that we ought to write it into section 3 the same as we wrote it in section 4, that loss or damage from flood, highwaters, or wind-driven water or uninsurable crop loss would be subject to the provisions of this bill.

But, it is understood, I hope, in the debate that that is what is intended in section 3 as well as under the Small Business Administration disaster relief program.

Mr. JONES of Alabama. Mr. Speaker, if the gentleman will yield further, when the gentleman wrote that provision into section 3 it was my understanding that since the uninsurable losses occurred under the existing law, in section 4 it would not be necessary and so the gentleman from Florida has stated what was intended to be arrived at through the language of the bill.

Mr. CRAMER. I thank the gentleman from Alabama and I hope in administering the program it will be so administered.

Also, Mr. Speaker, I would like to ask the gentleman from Alabama—and then I shall be glad to yield to the gentleman from Iowa [Mr. Gross]—relating to a needs test. As the legislation is drafted, there is under the present program of the Small Business Administration disaster relief, under the consolidated Farmers Home Administration disaster relief, the ASCA disaster relief, and there is written into those laws, or in the alternative by administrative action, a needs test so that those persons who have an economic need can qualify. In other words, millionaires cannot get the \$1,800 benefit either in waived interest or waived principal? Does the gentleman from Alabama agree with that statement?

Mr. JONES of Alabama. I not only agree to that but I would expect that there will be a continuation of the needs test as contained in existing law, with those exceptions that are waived in titles III and IV. So I believe we could not neglect in the administration of this act some type of needs test or examination.

Mr. CRAMER. I thank the gentleman on that point.

Of course, the gentleman and I concurred in the paragraph on page 3 relating to where in administering the act someone who makes the request for the full \$1,800, either waiver of an existing loan or \$1,800 payoff in interest or principal on a new loan, that the administration will have discretion to determine not only and how come or whether the act should be approved, but certainly whether the full \$1,800 should be granted.

Mr. JONES of Alabama. Mr. Speaker, if the gentleman will yield further, not only that but the Administrator of the Small Business Administration, along with the Administrator of the Farmers Home Administration, gave assurances to the committee that once they received a loan of approximately \$2,300, they would of course look with careful examination at that proposal.

Mr. CRAMER. In other words, \$2,300 is the most favorable consideration a person could have, meaning \$1,800 over the initial \$500 minimum?

In other words, if you made application for \$2,300 you might get the maximum of \$1,800 in waivers, and thus only be liable for \$500. I hope that will be looked at with serious reservation because it is a maximum benefit situation.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from Iowa.

Mr. GROSS. I regret to note that this

is the second consecutive bill that comes before the House this afternoon accompanied by a report which gives no indication of any departmental or agency views. While I do not mean to say I am bound by agency and departmental views, I think it is well to have them, and I regret again this bill is accompanied by a report which gives no indication that any agency or department is interested in the legislation.

Mr. CRAMER. I may say that the testimony of the agencies is contained in the hearings. Generally the agencies favor this kind of legislation. I will say to the gentleman further, so far as I am concerned, this House can consider itself fortunate that the price tag brought before this House on a \$2.5 billion loss situation is only \$70 million. It was estimated in view of the lateness of the hour and in view of inability to get departmental and agency suggestions it would end up with a price tag double that. I may say to the gentleman that the gentleman in the well is one who unequivocally told the executive branch of the Government he would not support new programs at this time, and new administrations of those programs and, secondly, would not support substantial direct grants to provide property owners compensation for loss of real and personal property, which was the proposal initially under discussion.

Mr. GROSS. I want to commend the gentleman for the position he took in that respect.

Mr. KEITH. Mr. Speaker, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from Massachusetts.

Mr. KEITH. With reference to section 5, which has to do with a study of insurance, this philosophy was supported in S. 408, presented before the Senate. Senate 408 is substantially the same as the bill that I filed in April of this year providing for a study comparable to that which has been authorized in this legislation. I would like to say to the House that the nature and extent of this recent disaster is unique only because our memories are short. I can recall one day while serving at a place called Indianola Beach, when a flood and hurricane came in and overcame an entire railroad train. I can recall in 1938 we had a hurricane up in Connecticut in which over 3,000 people lost their lives. This is as expensive as others we have had in the past, and I cannot overlook the loss of human life that was suffered in those days in 1938.

Mr. CRAMER. Perhaps the gentleman misconstrues what the committee intends by that language. It means when the amount of property damaged and involved is of such proportions it deserves consideration by separate legislation.

Mr. KEITH. I agree that it does deserve attention. In the absence of a national policy it deserves special attention.

Mr. CRAMER. I agree with the gentleman.

Mr. KEITH. Section 5 will provide a national policy that will make some

of these things unnecessary because in other years hundreds of miles of railroad and other roads, and housing, were involved, many lives were lost, as we all remember. I strongly support section 5, which was passed in effect by the Senate, and which was before us on our calendar 3 weeks ago today.

Mr. DON H. CLAUSEN. Mr. Speaker, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from California.

Mr. DON H. CLAUSEN. Mr. Speaker, I simply want to join in the commendations of others for the gentleman in the well and the chairman of the subcommittee. For those who have been hit in areas throughout the country during disasters, certainly it behooves all of us to support this legislation wholeheartedly.

I am particularly interested in section 5 of the act which had been included in this bill. The balance of the legislation certainly will be of immeasurable relief in Florida, Louisiana, and the Mississippi sections of our country. It certainly is regrettable that this great Committee on Public Works, which is normally recognized for its work to build America and its great resources, has had to spend so much of its time and effort in rebuilding many sections of America that have been so hard hit by disasters this year.

It is to the credit of this committee, the House and the entire Federal system of government that we can develop legislation that will provide assistance to people and property damaged beyond their ability to recover through normal means.

Mr. CRAMER. In closing I would just like to make this comment.

Section 5 I think is one of the most valuable aspects of the legislation. No. 1, the 1956 insurance act has not been implemented. They have a study that has been begun on what can be done to implement it. It appears that this actually is the long-range answer to the problem. How can these people who cannot get insurance today at reasonable rates to protect themselves against these inordinate risks and who do not have insurance available if a disaster strikes get protection without direct appropriations from the Federal Government to cover these disasters?

I am confident that some program can be evolved. Also, of course, section 5 includes a general study relating to all available programs and all programs that might be recommended in addition to hurricane insurance. I am confident we can come up with a workable, sound and substantial contribution in this field next year. After all, we need something to be left for next year to be acted on anyway.

(Mr. CRAMER asked and was given permission to revise and extend his remarks.)

(Mr. DON H. CLAUSEN asked and was given permission to revise and extend his remarks.)

(Mr. WILLIS asked and was given permission to revise and extend his remarks and include extraneous material.)

Mr. CRAMER. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. KEITH].

Mr. KEITH. Mr. Speaker, I just want to point out for the benefit of my colleagues in the House that there is a decided role that the private insurance industry can play in meeting the problem that we are dealing with here today, and that is primarily in the field of hurricane insurance. We can buy insurance against wind storms. But we cannot buy insurance against abnormal high tides, and that is where our real problem comes up. We are not concerned with hurricanes as such. There are reasonable rates for that readily available, but we are concerned with the abnormal high tides accompanying these disastrous hurricanes. Practically, the only place that you can get insurance against high tides is with Lloyds of London, but the premiums are prohibitive.

We are going to have a cooperative effort, I am sure, as a result of this study which will be made by the Federal Government. The State and local governments and private industry in general and the insurance industry in particular will know what their responsibilities are. I trust the Secretary of Housing and Urban Development will approach this constructively and when the report is rendered in 9 months time we will have some legislation that we can enact in the next session of the Congress.

Mr. BENNETT. Mr. Speaker, I rise in support of this legislation, and to congratulate the committee on bringing this measure to us for action. Florida is grateful for the generous and needed provisions of this bill. I wish to stress, Mr. Speaker, the need for the studies here authorized to lay the basis for a broad program of insurance for the future. I worked for the 1956 measure which was intended to accomplish this same objective; and I sincerely hope that the new studies will reveal a practical method of prompt relief preferably on an insurance basis.

Mr. BRADEMAS. Mr. Speaker, I, too, wish to support H.R. 11539, the Southeastern Hurricane Disaster Relief Act of 1965.

This legislation is certainly necessary for the victims of Hurricane Betsy in Florida, Louisiana, and Mississippi.

I wish however to take this opportunity to speak out very strongly on behalf of favorable action by Congress at the earliest possible time on omnibus disaster relief legislation.

The omnibus disaster relief bill, S. 1861, has already been passed by the Senate on a voice vote on July 22, 1965. I have introduced an omnibus disaster relief bill, as have my colleague the gentleman from Indiana [Mr. ROUSH] and other Members of the House.

This omnibus bill provides relief for the unfortunate victims of natural disasters like the devastating series of tornadoes which swept through northern Indiana last Palm Sunday and left death and destruction in their wake. The loss to my district alone, with 54 dead, 242 injured, and property damage in the millions, was catastrophic. Hardest hit

was the little unincorporated community of Dunlap, near Elkhart, where the desolation in some places was total and the individual suffering was and remains beyond total measurement or relief.

Three days after the holocaust, President Johnson, my colleagues Senators VANCE HARTKE and BRCH BAYH, Indiana Governor Roger Branigan, Buford Ellington, Director of the Office of Emergency Planning, and I visited the stricken area. The crippling effects of the storm were overwhelming. The evidence of personal and community tragedy, on all sides, stunned and moved us all.

Mr. Speaker, I am glad to support Federal action for the victims of Hurricane Betsy in the Southeastern States but I speak as well for those who have suffered from disasters in other parts of the United States during recent months and I also speak for the victims of tomorrow's natural disasters.

Can we possibly be satisfied with piecemeal and after-the-fact legislation each time natural disaster strikes? The omnibus bill which several of us have introduced authorizes Federal agencies to provide a number of forms of immediate and long-term assistance when natural disaster strikes.

Mr. Speaker, I hope very much that it is not possible for Congress to act during this session on omnibus disaster relief legislation, we shall do so as early as possible in the second session.

Mr. ROGERS of Florida. Mr. Speaker, this legislation is needed to assist local and State governments in Florida, Louisiana, and Mississippi, and the estimated million citizens adversely affected by Hurricane Betsy, in the long road of rebuilding their homes, businesses, and public facilities. In his report to the President on the activities of the Weather Bureau during the hurricane, the Secretary of Commerce indicated Betsy was the most erratic and destructive hurricane of this century. Much damage was prevented by both the Weather Bureau and the Coast Guard, through their warning and rescue operations, but the destruction in many areas reached unbelievable proportions. Certainly the Federal Government must be in a position to grant special consideration to those who suffered losses from this natural disaster. This legislation seeks to implement existing programs, and reduce some of the restrictions not contemplated in circumstances of this sort. In urging adoption of H.R. 11539, prudence and commonsense are also urged, so that those in actual need are able to secure help, and those who may seek to take advantage of the situation although suffering no hurricane damage are prevented from doing so. Our experiences in this year of destructive weather may serve as the emphasis for more study of the role of the Federal Government in disasters, so that emergency situations can be better met with machinery set up for this purpose, rather than for the necessity of special legislation for each succeeding event of weather on the rampage.

Mr. JONES of Alabama. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore (Mr. Boggs). The question is, Shall the House suspend the rules and pass the bill, H.R. 11539?

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. JONES of Alabama. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

PROTECTION OF ENDANGERED SPECIES OF FISH AND WILDLIFE

Mr. DINGELL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 9424) to provide for the conservation, protection, and propagation of native species of fish and wildlife, including migratory birds, that are threatened with extinction; to consolidate the authorities relating to the administration by the Secretary of the Interior of the National Wildlife Refuge System; and for other purposes, with amendments as printed in the bill.

The Clerk read as follows:

H.R. 9424

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Congress finds and declares that one of the unfortunate consequences of economic growth in the United States has been the extermination of some native species of fish and wildlife; that serious losses in other species of native wild animals with educational, historical, recreational, and scientific value have occurred and are occurring; and that the United States has an obligation pursuant to international agreements, such as the Migratory Bird Treaties and the Inter-American Treaty on Nature Protection and Wildlife Preservation, 1940, with Canada and Mexico and other countries to conserve and protect, where practicable, the various species of native fish and wildlife, including game and nongame migratory birds, that are threatened with extinction. The purposes of this Act are to provide a program for the conservation, protection, restoration, and propagation of selected species of native fish and wildlife, including migratory birds, that are threatened with extinction, and to consolidate, restate, and modify the present authorities relating to administration by the Secretary of the Interior of the National Wildlife Refuge System.

(b) A species or subspecies of native fish and wildlife shall be regarded as threatened with extinction whenever the Secretary of the Interior finds, after consultation with the States, that its existence is endangered because its habitat is threatened with destruction, drastic modification, or severe curtailment, or because of overexploitation, disease, predation, or because of other factors, and that its survival requires assistance.

SEC. 2. (a) The Secretary of the Interior shall utilize the land acquisition and other authorities of the Migratory Bird Conservation Act, as amended, the Fish and Wildlife Act of 1956, as amended, and the Fish and Wildlife Coordination Act to carry out a pro-

gram in the United States of conserving, protecting, restoring, and propagating selected species of native fish and wildlife that are threatened with extinction.

(b) In addition to the land acquisition authorities in such Acts, the Secretary is hereby authorized to acquire by purchase, donation, or otherwise, lands or interests therein needed to carry out the purpose of this Act relating to the conservation, protection, restoration, and propagation of selected species of native fish that are threatened with extinction.

(c) Funds made available pursuant to the Land and Water Conservation Fund Act of 1965 (78 Stat. 897) may be used for the purpose of acquiring lands, waters, or interests therein pursuant to this section that are needed for the purpose of conserving, protecting, restoring, and propagating selected species of native fish and wildlife, including migratory birds, that are threatened with extinction.

(d) The Secretary shall review other programs administered by him and, to the extent practicable, utilize such programs in furtherance of the purpose of this Act. The Secretary shall also encourage other Federal agencies to utilize, where practicable, their authorities in furtherance of the purpose of this Act.

SEC. 3. In carrying out the program authorized by this Act, the Secretary shall cooperate to the maximum extent practicable with the several States, and he may enter into agreements with the States for the administration and management of any area established under this program for the conservation, protection, restoration, and propagation of threatened species of native fish and wildlife. Any revenues derived from the administration of such areas under these agreements will continue to be subject to the provisions of section 401 of the Act of June 15, 1935 (49 Stat. 383), as amended (16 U.S.C. 715s).

SEC. 4. (a) For the purpose of consolidating the authorities relating to the various categories of areas that are administered by the Secretary of the Interior for the conservation of fish and wildlife, including species that are threatened with extinction, all lands, waters, and interests therein administered by the Secretary as wildlife refuges, areas for the protection and conservation of fish and wildlife that are threatened with extinction, wildlife ranges, game ranges, wildlife management areas, or waterfowl production areas are hereby designated as the "National Wildlife Refuge System" (referred to herein as the "System"), which shall be subject to the provisions of this section. Nothing contained in this Act shall restrict the authority of the Secretary to modify or revoke public land withdrawals affecting lands in the System as presently constituted, or as it may be constituted, whenever he determines that such action is consistent with the public interest.

(b) In administering the System, the Secretary is authorized—

(1) to enter into contracts with any person or public or private agency through negotiation for the provision of public accommodations.

(2) to accept donations of funds and to use such funds to acquire or manage lands or interests therein, and

(3) to acquire lands or interests therein by exchange (a) for acquired lands or public lands under his jurisdiction which he finds suitable for disposition, or (b) for the right to remove, in accordance with such terms and conditions as the Secretary may prescribe, products from the acquired or public lands within the System: *Provided*, That the lands or interests therein so exchanged shall involve approximately equal values, as determined by the Secretary: *Provided further*, That the Secretary may accept cash from, or pay cash to, the grantor in an exchange

in order to equalize the values of the properties exchanged.

(c) No person shall knowingly disturb, injure, cut, burn, remove, destroy, or possess any real or personal property of the United States, including natural growth, in any area of the System; or take or possess any fish, bird, mammal, or other wild vertebrate or invertebrate animals or part or nest or egg thereof within any such area; or enter, use, or otherwise occupy any such area for any purpose; unless such activities are performed by persons authorized to manage such area, or unless such activities are permitted either under subsection (d) of this section or by express provision of the law, proclamation, Executive order, or public land order establishing the area, or amendment thereof: *Provided*, the United States mining and mineral leasing laws shall continue to apply to any lands within the System to the same extent they apply prior to the effective date of this Act unless subsequently withdrawn under other authority of law. Nothing in this Act shall be construed to authorize the Secretary to control or regulate hunting or fishing of resident fish and wildlife, including endangered species thereof, on lands not within the System. The regulations permitting hunting and fishing of resident fish and wildlife within the System shall be, to the extent practicable, consistent with State fish and wildlife laws and regulations.

(d) The Secretary is authorized, under such regulations as he may prescribe, to—

(1) permit the use of any area within the System for any purpose, including but not limited to hunting, fishing, public recreation and accommodations, and access whenever he determines that such uses are compatible with the major purposes for which such areas were established: *Provided*, That not to exceed 40 per centum at any one time of any area that has been, or hereafter may be acquired, reserved, or set apart as an inviolate sanctuary for migratory birds, under any law, proclamation, Executive order, or public land order may be administered by the Secretary as an area within which the taking of migratory game birds may be permitted under such regulations as he may prescribe; and

(2) permit the use of, or grant easements in, over, across, upon, through, or under any areas within the System for purposes such as but not necessarily limited to, powerlines, telephone lines, canals, ditches, pipelines, and roads, including the construction, operation, and maintenance thereof, whenever he determines that such uses are compatible with the purposes for which these areas are established.

(e) Any person who violates or fails to comply with any of the provisions of this Act or any regulations issued thereunder shall be fined not more than \$500 or be imprisoned not more than six months, or both.

(f) Any person authorized by the Secretary of the Interior to enforce the provisions of this Act or any regulations issued thereunder, may, without a warrant, arrest any person violating this Act or regulations in his presence or view, and may execute any warrant or other process issued by an officer or court of competent jurisdiction to enforce the provisions of this Act or regulations, and may with a search warrant search for and seize any property, fish, bird, mammal, or other wild vertebrate or invertebrate animals or part or nest or egg thereof, taken or possessed in violation of this Act or the regulations issued thereunder. Any property, fish, bird, mammal, or other wild vertebrate or invertebrate animals or part or egg thereof seized with or without a search warrant shall be held by such person or by a United States marshal, and upon conviction, shall be forfeited to the United States and disposed of by the court.

(g) Regulations applicable to areas of the System that are in effect on the date of en-

deduction for the expenses involved in the adoption procedure.

I am writing on behalf of the board and staff of this agency to let you know we appreciate and support your efforts to provide tax relief for our adoptive parents.

Mr. LIONEL C. LANE,

Executive Director, the Child and Family Service of Syracuse and Onondaga County, Syracuse, N.Y.

The SPEAKER pro tempore. Under previous order of the House the gentleman from Indiana [Mr. BRADEMAs] is recognized for 30 minutes.

[Mr. BRADEMAs addressed the House. His remarks will appear hereafter in the Appendix.]

The SPEAKER pro tempore. Under previous order of the House the gentleman from Ohio [Mr. FEIGHAN] is recognized for 15 minutes.

[Mr. FEIGHAN addressed the House. His remarks will appear hereafter in the Appendix.]

(Mr. REINECKE (at the request of Mr. BROYHILL of North Carolina) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

[Mr. REINECKE addressed the House. His remarks will appear hereafter in the Appendix.]

HIGHWAY BEAUTIFICATION PRESSURE

(Mr. CRAMER (at the request of Mr. BROYHILL of North Carolina) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. CRAMER. Mr. Speaker, a very discerning column by James J. Kilpatrick titled "Highway Bill Leaves Resentments" I believe deserves being called to the attention of the Congress because it highlights the travesty which occurred on Thursday, October 7, 1965, when the House was forced to be in session from 11:00 a.m., October 7, 1965, until 12:51 a.m. on October 8.

I particularly call attention to the last paragraph which says:

All this could have been avoided if the deliberative process had been left to do its patient work, but this has not been a Congress of patience and deliberation. This has been a Congress of the bullwhip and the bulldozer; and those who were bullied along on the night of October 7 will nurse a long memory of a "present" they gave unwisely in the form of a hasty highway bill.

So far as this Member is concerned, there is certainly no resentment on my part although it became obvious that under the pressures existing on Thursday it was not possible to get fair and adequate consideration of the needed amendments. The pressure asserted was wholly unjustified for many reasons, including the fact that the billboards and junkyards do not have to be moved or screened until 1970. Any program that is to be effective 5 years in the future

hardly needs emergency consideration nor should it be subjected to such pressure tactics that results in many amendments being considered without any discussion.

[From the Evening Star, Washington, D.C., Oct. 15, 1965]

HIGHWAY BILL LEAVES RESENTMENTS (By James J. Kilpatrick)

The Johnson administration reached a new peak of arrogance in the House of Representatives on the evening of Thursday, October 7. Tempers have cooled since then, and Members have gone on to other matters; all animosities within 660 feet of the Capital have been screened and prettied up; but no man should mistake the bitterness left behind.

For the record, the chronology began on Wednesday, October 6, when the Highway Beautification Act of 1965 came up briefly in the House. Maryland's GEORGE H. FALLON, chairman of Public Works, advised his colleagues of the schedule "On tomorrow," he said, "this body will begin to consider the bill." That was the way the Republican leaders understood it, too. The bill itself presented some serious questions; a number of major amendments deserved consideration. Thus the House would convene at 11, go as far as it reasonably could go by late afternoon on Thursday, and then vote on Friday.

So Thursday's debate began. About 2 o'clock the word came down. The President did not want the House merely to begin to consider the bill. He wanted the bill passed. Mrs. Johnson was to be hostess that evening at a gala dinner. As chief patron of the beautification bill, she would be grateful for a chance to announce its enactment. As for the President, he was to enter the hospital Friday morning; and he would be grateful too.

Johnson's proconsuls in the House cranked up their juggernaut and set the machine in motion. In the degrading spectacle that followed, Democrats trotted down the aisle in a dozen teller votes. They stumbled and shuffled through their paces, so many dutiful sheep, and the Republican amendments fell in windrows. At one point in the travesty, the House voted 121 to 84 to allow but 8 minutes of debate on 5 separate amendments.

Finally, a little after midnight, the bloody work was done. JAMES C. WRIGHT JR. of Fort Worth, speaking for the committee, pleaded with his colleagues to reject a motion to recommit.

"We ask all of you," he said, "to accept the will of the House, and present the bill tonight as a deserved present to a great President and a magnificent First Lady."

So the present was passed and packaged up and tied in a pretty bow, 245 to 138; and at 12:51 a.m., the House adjourned.

If the bill were a carefully drafted bill, prudently weighed in committee, perhaps the Republican rebellion could be brushed aside as no more than the petulance of a resentful minority. But the debate, such as it was, made it evident that the bill suffers from serious flaws.

As Senator HARRY BYRD, Democrat of Virginia, pointed out in the other body, the bill is woefully underfinanced. No one really knows what it may cost, in State and Federal funds, to compensate landowners, sign owners, and junkyard owners for the property and rights to be condemned. Everyone does know, however, that \$40 million a year is the merest token authorization.

No one knows, either, what effect the bill may have in those States that presumably must amend their constitutions to meet the bill's requirements. Some profound legal questions are presented under the law of

police power and the law of eminent domain. Such States as California, Washington, Oregon, and Missouri could lose millions in Federal highway aid if they fail to revise their basic laws by January 1968.

Actually, no one imagines that this will happen. The act that was passed in such haste will be amended at leisure. In the end, a great many billboards doubtless will come down, and a number of eyesores will disappear. In the process of this compulsory beautification, the lawyers will be singing like larks and small businessmen along the primary highways will be crying for relief.

All this could have been avoided if the deliberative process had been left to do its patient work, but this has not been a Congress of patience and deliberation. This has been a Congress of the bullwhip and the bulldozer; and those who were bullied along on the night of October 7 will nurse a long memory of a "present" they gave unwisely in the form of a hasty highway bill.

SOUTHEAST DISASTER RELIEF BILLS, H.R. 11539 AND H.R. 11540; FLORIDA DAMAGES

(Mr. CRAMER (at the request of Mr. BROYHILL of North Carolina) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. CRAMER. Mr. Speaker, I have just been furnished, pursuant to my request on H.R. 11539 and H.R. 11540, the latter of which I introduced to give consideration to devastating damage by Hurricane Betsy in Florida, Mississippi, and Louisiana, specific information on Florida damage.

I requested more specific figures on damage in Florida. The Office of Emergency Planning—Buford Ellington, Director—has provided such information, which I place in the RECORD.

The bill which I introduced provides for some relief in addition to the relief already obtained under Public Law 81-875.

This relief is in the form of authorizing the sale of trailers that have been made available for occupancy by damage sufferers, which is the customary procedure to take care of persons who are forced out of their homes by a natural disaster. The bill for the first time provides that the occupants and those who were damaged are permitted to purchase such trailers. Likewise, some \$1,800 in forgiveness on SBA disaster relief loans is provided in the bill. The bills before Congress provide for an immediate study of all possible relief for natural disasters that should be made available through State, local, and Federal programs, as well as the possibility of activating existing hurricane insurance acts. It appears that some 6,404 families are eligible for relief under this bill according to this report. The bill covers uninsured claims. There have been some 50,000 claims for insurance payments ranging from \$25 to \$28 million.

This disaster again points up the need for general legislation relating to disasters, which is now under consideration by the Public Works Committee and which I hope will be acted upon early next session.

EXECUTIVE OFFICE OF
THE PRESIDENT,
OFFICE OF EMERGENCY PLANNING,
Washington, D.C., October 14, 1965.

HON. WILLIAM C. CRAMER,
House of Representatives,
Washington, D.C.

DEAR MR. CRAMER: In accordance with your
request at yesterday's hearing on H.R. 11539,

enclosed for the record is a summary of
Hurricane Betsy damages in Florida. When
we review the transcript, we will insert it
in the proper place.

Sincerely,

BUFORD ELLINGTON,
Director.

Enclosure.

Estimate of eligible damage, Florida

County	Debris clear- ance	Protect- ive health and sani- tation meas- ures	Streets, roads and bridges	Dikes, levees, drain- age fa- cilities	Public build- ings	Public utili- ties	Total
Broward.....	\$150,000	\$10,000	\$128,000	\$50,000	\$28,000	\$95,000	\$461,000
Collier.....			1,000	4,000			5,000
Dade.....	254,000	50,000	142,000	10,000	75,000	195,000	726,000
Glades.....			2,000	10,000			12,000
Hendry.....			3,000	15,000			18,000
Lee.....			1,000	3,000			4,000
Martin.....		16,000					16,000
Monroe.....	40,000	80,000	50,000	5,000	20,000	80,000	275,000
Palm Beach.....	2,000	18,000					20,000
St. Lucie.....		9,000					9,000
Total.....	446,000	183,000	327,000	97,000	123,000	370,000	1,546,000

Hurricane Betsy, Florida

"Major disaster" declared September 4,
1965.

Summary of damage:

Public property damage.....	\$9,100,000
Private property damage.....	102,460,000
Agricultural damage.....	7,500,000
Total.....	109,960,000
Total damage.....	119,060,000

Estimate of eligible work (Public

Law 81-875)..... 1,546,000

A breakdown of the work, by county and
category, is attached.

The Red Cross reports that 27 homes were
destroyed, 355 suffered major damage and
3,901 minor damage. In addition, 193 trailers
were destroyed and 955 were damaged.
A total of 6,404 families suffered some loss
as a result of this disaster.

Florida State officials have estimated 25
percent wind damage and 75 percent water
damage as result of Hurricane Betsy.

The insurance industry has estimated
about 50,000 claims, with insurance pay-
ments of from \$25 to \$28 million.

(Mr. CRAMER (at the request of Mr.
BROYHILL of North Carolina) was
granted permission to extend his re-
marks at this point in the RECORD and to include
extraneous matter.)

[Mr. CRAMER'S remarks will appear
hereafter in the Appendix].

ELLEN BROWNING SCRIPPS

(Mr. BOB WILSON (at the request of
Mr. BROYHILL of North Carolina) was
granted permission to extend his remarks
at this point in the RECORD and to include
extraneous matter.)

Mr. BOB WILSON. Mr. Speaker, on
October 18 the many San Diegans, Cali-
fornians, and others will give observance
to the memory of one of this Nation's
foremost historic figures, Ellen Brown-
ing Scripps. She was one of our most
brilliant and generous early residents of
San Diego, whose drive and generosity
created many prominent philanthropies.
Of the public facilities she is responsible

for organizing, one of the most outstand-
ing is the famed Scripps Institution of
Oceanography. Her foresight in realiz-
ing that such a facility was needed in
order to make America internationally
prominent in ocean sciences is particu-
larly worthy of mention because of its
establishment at the turn of the century.

It is significant that the city of San
Diego is officially proclaiming October 18,
the birthdate of this fabulous lady, as
Ellen Browning Scripps Day and I ask
permission to include their proclama-
tion as a portion of my remarks.

PROCLAMATION BY THE CITY OF SAN DIEGO,
CALIF.

Whereas on October 18, 129 years ago, Ellen
Browning Scripps was born in modest cir-
cumstances in London, England; and

Whereas her unusual intelligence, char-
acter, and energy resulted in the founding of
a successful newspaper empire; and

Whereas she became one of San Diego's
most illustrious early residents and through
her constant efforts and talents, she estab-
lished great and enduring philanthropies,
not only for the benefit of her adopted city
of San Diego, but for the entire Nation; and

Whereas many of our city's most valued
public facilities such as the Scripps Institu-
tion of Oceanography; the Scripps Metabolic
Clinic, now the Scripps Clinic and Research
Foundation; the Scripps Memorial Hospi-
tal; the Torrey Pines State Park and the
Bishop's School, as well as public play-
grounds, community centers, the children's
pool, the zoological garden and research labo-
ratory in Balboa Park and many many more
still serve the interests of our people; and

Whereas the Ellen Browning Scripps
Foundation continues her philanthropies for
the enduring benefit of citizens of the far
future:

Now, therefore, I, Frank Curran, the 28th
mayor of the city of San Diego, do hereby
proclaim Monday, October 18, 1965, to be
"Ellen Browning Scripps Day" in San Diego
in recognition of her good works and do
urge our citizenry to take note of her re-
markable career and participate in this ob-
servance of the 129th anniversary of her
birth.

In witness whereof, I have hereunto set my
hand, this 18th day of October 1965, and
have caused the seal to be affixed hereto:

[SEAL]

FRANK CURRAN,
Mayor.

WATERSHED DEVELOPMENT AND
THE 89TH CONGRESS

(Mr. GROVER (at the request of Mr.
BROYHILL of North Carolina) was
granted permission to extend his re-
marks at this point in the RECORD and to
include extraneous matter.)

Mr. GROVER. Mr. Speaker, as the
ranking minority member of the Sub-
committee on Watershed Development
of the Committee on Public Works, I
have had the privilege this session to
participate in the approval of 30 water-
shed projects which were transmitted to
the Congress has acted substantially on
mittee for appropriate action.

The Congress has heard much about
water resource development problems in
this Nation during the past years, and
the Congress has acted substantially on
meeting these water resource develop-
ment problems this session. The Con-
gress has enacted the Water Resource
Planning Act of 1965 and the Water
Quality Act of 1965. The omnibus riv-
ers and harbors and flood control bill is
now awaiting the signature of the Pres-
ident. With the enactment of these
three pieces of legislation, Congress has
expressed the need for water supply,
water purity, and waterway develop-
ment.

In addition to the action of the Con-
gress, the President called a White
House conference on the water supply
problems of New York, New Jersey,
Pennsylvania, and Delaware this sum-
mer. As a member of this body from
the State of New York, I am vitally in-
terested in the development of water
resources in the East, and I will watch
with interest the developments which
result from this White House confer-
ence and programs launched pursuant to
its recommendations.

In an attempt to act on major water
resource programs, however, the Con-
gress should not lose sight of the many
smaller programs, not the least of which
is the small watershed protection and
flood prevention program established
under Public Law 566, 83d Congress,
known as the Watershed Protection and
Flood Prevention Act of 1954. When
this law was enacted, it was expressed
that the sense of Congress was that the
Federal Government should cooperate
with States and their political subdivi-
sions, soil or water conservation dis-
tricts, flood prevention or control dis-
tricts, and other local public agencies for
the purpose of preventing erosion, flood-
water, and sediment damages in the
watersheds of the rivers and streams of
the United States and of furthering the
conservation, development, utilization,
and disposal of water and thereby of
preserving and protecting the Nation's
land and water resources.

The small watershed program, admin-
istered by the Soil Conservation Service
of the Department of Agriculture, has
moved forward considerably since 1954.
Since the enactment of Public Law 550,
149 watershed projects have been ap-
proved by the Committee on Public
Works of this body, and 272 watershed
projects have been approved by the Com-
mittee on Agriculture of this body. The
law establishes that the watershed proj-

89TH CONGRESS
1ST SESSION

H. R. 11539

IN THE SENATE OF THE UNITED STATES

OCTOBER 19, 1965

Read twice and referred to the Committee on Public Works

AN ACT

To provide assistance to the States of Florida, Louisiana, and Mississippi for the reconstruction of areas damaged by the recent hurricane.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Congress hereby recognizes that the States of
4 Florida, Louisiana, and Mississippi suffered extensive prop-
5 erty loss and damage as a result of Hurricane Betsy in 1965
6 (including, but not limited to, loss and damage from flood,
7 high waters, and wind-driven waters caused by such hurri-
8 cane) and that there is a need for special measures designed
9 to aid and accelerate these States in their efforts to provide

1 for the reconstruction of highways and public works projects,
2 and to otherwise rehabilitate these devastated areas.

3 SEC. 2. Notwithstanding any other provision of law,
4 trailers provided as a result of Hurricane Betsy as temporary
5 housing under clause (d) of section 3 of the Act entitled "An
6 Act to authorize Federal assistance to States and local gov-
7 ernments in major disasters, and for other purposes", ap-
8 proved September 30, 1950, as amended (42 U.S.C.
9 1855b), may be sold directly to the persons who are the
10 occupants thereof at prices that are fair and equitable.

11 SEC. 3. In the administration of the disaster loan pro-
12 gram under section 7 (b) (1) of the Small Business Act, as
13 amended (15 U.S.C. 636 (b)), in the case of property loss
14 or damage in the States of Florida, Louisiana, and Missis-
15 sippi resulting from Hurricane Betsy, the Small Business
16 Administration, to the extent such loss or damage is not com-
17 pensated for by insurance or otherwise, (1) shall at the
18 borrower's option on that part of any loan in excess of \$500,
19 (A) cancel up to \$1,800 of the loan, or (B) waive interest
20 due on the loan in a total amount of not more than \$1,800
21 over a period not to exceed three years; and (2) may lend
22 to a privately owned school, college, or university without
23 regard to whether the required financial assistance is other-
24 wise available from private sources, and may waive interest

1 payments and defer principal payments on such a loan for
2 the first three years of the term of the loan.

3 SEC. 4. In the administration of the emergency loan pro-
4 gram under subtitle C of the Consolidated Farmers Home
5 Administration Act of 1961, as amended (7 U.S.C. 1961—
6 67), in the case of property loss or damage in the States of
7 Florida, Louisiana, and Mississippi, resulting from flood,
8 high waters, or wind-driven water or uninsurable crop loss,
9 caused by Hurricane Betsy, the Secretary of Agriculture
10 shall, to the extent such loss or damage is not compensated
11 for by insurance or otherwise, at the borrower's option on
12 that part of any loan in excess of \$500, (1) cancel up to
13 \$1,800 of the loan, or (2) waive interest due on the loan in
14 a total amount of not more than \$1,800 over a period not to
15 exceed three years without regard to whether the required
16 financial assistance is otherwise available from private
17 sources.

18 SEC. 5. The Secretary of Housing and Urban Develop-
19 ment shall undertake an immediate study of alternative pro-
20 grams which could be established to help provide financial
21 assistance to those suffering property losses in flood and
22 other natural disasters, including alternative methods of
23 Federal disaster insurance, as well as the existing flood insur-
24 ance program, and shall report his findings and recommen-

1 dations to the President for submission to the Congress not
2 later than nine months after the appropriation of funds for
3 this study, except that the findings and recommendations
4 on earthquake insurance shall be reported to the President
5 for submission to the Congress not later than three years
6 after the appropriation of funds for this study.

7 SEC. 6. There is hereby authorized to be appropriated
8 not to exceed \$70,000,000 to carry out this Act, and such
9 sums shall remain available until expended.

10 SEC. 7. This Act, other than sections 5 and 6, shall not
11 be in effect after January 1, 1967, except with respect to
12 payment of expenditures for obligations and commitments
13 entered into under this Act on or before such date.

14 SEC. 8. This Act may be cited as the "Southeast Hurri-
15 cane Disaster Relief Act of 1965".

Passed the House of Representatives October 18, 1965.

Attest:

RALPH R. ROBERTS,

Clerk.

AN ACT

To provide assistance to the States of Florida, Louisiana, and Mississippi for the reconstruction of areas damaged by the recent hurricane.

OCTOBER 19, 1965

Read twice and referred to the Committee on Public Works

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

Issued Oct. 21, 1965
For actions of Oct. 20, 1965
89th-1st; No. 196

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HIGHLIGHTS: For highlights see page 5

HOUSE

1. AGRICULTURAL APPROPRIATION BILL. Agreed to the conference report on this bill, H. R. 8370, and acted on amendments in disagreement. Attached is a table showing the changes agreed upon. pp. 26742-7
2. MARKETING ORDERS. Concurred in the Senate amendment to the House amendment to S. 2092, to permit marketing orders for certain fruits and vegetables to provide for paid advertising. This bill will now be sent to the President. p. 26706
3. EDUCATION. By a vote of 313 to 63, agreed to the conference report on H. R. 9567, the aid to higher education bill. pp. 26706-30
4. RIVERS-HARBORS AND FLOOD-CONTROL BILL. By a vote of 221 to 139, agreed to the conference report on this bill, S. 2300. This bill will now be sent to the President. pp. 26730-41

5. BUDGETING. Rep. Halpern spoke in favor of a Joint Committee on the Budget. p. 26762
6. FARM LABOR. Several Representatives debated the termination of the Mexican farm labor program. pp. 26763-80
7. SUGAR. Rep. Hansen, Iowa, inserted his press release defending the House sugar bill. p. 26790
8. ELECTRIFICATION; AREA DEVELOPMENT. Rep. Dent inserted a statement by Pres. Drumm of West Penn Power Co. upon receiving the "E" Service Award from Secretary Connor for area development activity. pp. 26793-4
9. INVESTIGATIONS. The Rules Committee reported with amendment H. Res. 605, authorizing the Agriculture Committee to conduct studies and investigations relating to certain matters within its jurisdiction (H. Rept. 1180). p. 26808
10. TRANSPORTATION. The Interstate and Foreign Commerce Committee reported with amendment S. 1098, to insure adequacy of the railroad freight car supply (H. Rept. 1183). p. 26808
11. SUPPLEMENTAL APPROPRIATIONS. Received from the President a 1966 supplemental request for \$500 million for the Commodity Credit Corporation (H. Doc. 307). This item was considered as a part of the Department of Agriculture and Related Agencies Appropriation Bill, 1966, rather than in the Supplemental Appropriation Bill. p. 26807

SENATE

12. SUPPLEMENTAL APPROPRIATION BILL. Passed with amendments this bill, H.R. 11588 (pp. 26584, 26587-631). No changes were made in appropriations to this Department. (For a listing of the items see Digest 195) As passed the bill also provides \$70 million to the President to carry out the Hurricane Disaster Relief Act of 1965. House and Senate conferees were appointed on the bill (pp. 26781, 26630).
13. SUGAR. Passed, 69-16, with amendments H.R. 11135, the sugar bill. Agreed to an amendment by Sen. Morse to add quotas of 422 short tons each for Honduras and Bolivia, and a technical corrective amendment by Sen. Long, La. Rejected various amendments. Senate and House conferees were appointed. pp. 26560-83, 26730
14. DISASTER RELIEF. The Public Works Committee reported without amendment H.R. 11539, to provide assistance to Fla., La., and Miss. for reconstruction of areas damaged by the recent hurricane (S. Rep. 917). p. 26542
15. FORESTRY. The Interior and Insular Affairs Committee reported without amendment H. R. 797, to establish the Whiskeytown-Shasta-Trinity National Recreation Area, Calif., (S. Rept. 922). p. 26542
16. WATER. The Agriculture Committee reported an original bill, S. 2679, to amend the Watershed Protection and Flood Prevention Act, as amended (S. Rept. 921) (p. 26542). The "Daily Digest" states that this bill is in respect to "maximum flood detention capacity of watershed project structures" (p. D1041).

SOUTHEAST HURRICANE DISASTER RELIEF ACT OF 1965

OCTOBER 20, 1965.—Ordered to be printed

Mr. McNAMARA, from the Committee on Public Works, submitted the following

REPORT

[To accompany H.R. 11539]

The Committee on Public Works, to which was referred the bill (H.R. 11539) to provide assistance to the States of Florida, Louisiana, and Mississippi for reconstruction of areas damaged by the recent hurricane, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

GENERAL STATEMENT

It appears that both in terms of numbers of people affected and in terms of monetary losses, the damages caused to the States of Florida, Louisiana, and Mississippi by Hurricane Betsy in September of 1965 are greater than any previous natural disaster.

The President of the United States, under Public Law 81-875, declared the area a major disaster area. All available machinery of the Federal and State Governments, as well as of the local governmental jurisdictions, was directed to immediate relief and subsequent rehabilitation. The Department of Defense supplied equipment and services to transport food and forage, clothes, fuel, and other necessities.

This bill contains what the committee believes is needed and necessary to give further aid to the disaster-stricken areas.

THE MAGNITUDE OF HURRICANE BETSY

Hurricane Betsy's September smash at the gulf coast was one of the most destructive in all history. The overwhelming magnitude of the vicious storm, surprising even to experienced disaster workers, was more apparent every day as storm victims continued to register for long-term recovery help in rebuilding their lives and homes.

The Red Cross reports that between 800,000 and 1 million persons were adversely affected by the hurricane. Except for the 1937 Ohio-Mississippi River floods, which forced over a million persons from their homes, Hurricane Betsy caused the largest number of persons to be displaced. Over 1,500 homes were destroyed and more than 150,000 damaged; over 2,000 trailers were damaged or destroyed, 1,400 farm buildings, and 2,600 small businesses.

PROVISIONS OF H.R. 11539

The first section of the bill contains a congressional finding that the States of Florida, Mississippi, and Louisiana have experienced extensive property loss as a result of Hurricane Betsy and declares the need for special measures to help these States in the reconstruction and rehabilitation of devastated areas.

The second section authorizes the sale of trailers provided as temporary housing under the Federal Disaster Act to the occupants thereof at prices that are fair and equitable. Under present law, the sale of such property is handled through the usual procedures for the disposal of surplus property. Adequate low-cost housing is often not readily available to the trailer occupants, and this provision would give them an opportunity to be housed without being uprooted.

Section 3 applies to Small Business Administration loans for property loss or damage as a result of Hurricane Betsy to the extent that such loss or damage is not compensated for by insurance or otherwise. The committee understands the assistance here is for uninsurable risks rather than for those who fail to have insurance through their own neglect. At the borrower's option, on that part of any loan in excess of \$500, the SBA would be authorized to cancel up to \$1,800 of the loan, or waive interest due on the loan over a period not to exceed 3 years (but not in excess of \$1,800 worth of interest). Privately owned schools and colleges would be eligible for loans without regard to whether financial assistance is otherwise available from private sources, and interest may be waived and payments of principal deferred for the first 3 years of the loan without limitation as to the total amount of interest waived. Under present law, the SBA has authority to make 3-percent loans under its disaster loan program. However, it normally does not make such loans where financial assistance is otherwise available from other sources on reasonable terms. It also does not as a matter of practice cancel any part of a loan or waive interest.

Section 4 applies to Farmers Home Administration loans and the monetary benefits would be similar to section 3. Section 4 covers loss or damage resulting from flood, high waters, wind-driven water, or uninsurable crop loss to the extent such loss or damage is not compensated for by insurance or otherwise. Under the present law, the Farmers Home Administration makes 3-percent loans.

The additional authorization in section 4 will permit the Farmers Home Administration to make financial assistance available to farmers, stockmen, and oyster planters in the affected areas on the same terms as Small Business Administration assistance will be available to homeowners and businessmen under section 3 of the bill.

Under section 321(b) of the Consolidated Farmers Home Administration Act, emergency loans are now available only to those persons who cannot obtain sufficient credit elsewhere to finance their actual

needs at reasonable rates and terms. Because of the character of the damage covered by the bill and the unusual urgency of the residents of this area to make prompt financial arrangements for damage restoration, crop salvage, and for the early planting season in the area, and because there is no similar statutory restriction on Small Business Administration loans, the committee recommends that the loans authorized by this section be freed from the existing statutory restriction as to the availability of other credit. However, in order to qualify for the benefits of this section, applicants will establish that they suffered the losses described and that they have a need for credit to continue their operations and restore damage.

As to the cancellation or waiver provisions there are, of course, other authorized programs of assistance such as the deficiency payments under the Sugar Act and perhaps some emergency payments for soil restoration and debris removal under the emergency agricultural conservation program which would at least partially compensate for the damage suffered in addition to any available insurance proceeds. All such payments would be considered in reducing the maximum authorized cancellation of principal or waiver of interest in applicable cases. In other cases these benefits would be available to borrowers under this authority without regard to their present or future repayment ability.

It is intended that the benefits of sections 3 and 4 shall be available to eligible borrowers without regard to the financial condition or other means of the borrowers. It is intended that the operation of sections 3 and 4 of H.R. 11539 is not to be mandatory insofar as the administration of these two sections is concerned. Rather, discretion is to be afforded to the administration in the amount of the loan to be canceled or the interest to be waived, or the period of waiver.

Section 5 of H.R. 11539 would direct the Secretary of Housing and Urban Development to initiate an immediate study of alternative programs for providing financial aid to the victims of floods and other natural disasters, including the presently inactive Federal flood insurance program. A report would be made to the Congress, within 9 months from the appropriation of funds, on the Secretary's studies. However, the Secretary's findings and recommendations on earthquake insurance would be the subject of a later report, within 3 years; \$1,600,000 is already included in the proposed fiscal 1966 supplemental appropriations to finance these studies upon enactment of the substantive authorizing legislation.

Of this amount, about \$625,000 would be used for flood insurance studies. These proposed studies have been explored in a number of meetings between the interested Federal agencies. Areas with differing characteristics have tentatively been selected for study as being subject to different sources of flooding or containing different kinds of properties subject to flood damage. Substantially more than one-half of the cost of these flood studies would go to reimburse the Corps of Engineers for obtaining the basic data needed from field surveys in each of the selected areas.

Most of the remaining \$975,000 would be used for a study of the feasibility of earthquake insurance. The Coast and Geodetic Survey would carry out the necessary fieldwork, at a cost of about \$800,000. The principal information sought to be obtained would be the effect of earthquakes on different soil formations. The extent of damage to properties varies considerably depending upon the response of different

soils to earthquake actions. In order to meet this problem, it will be necessary to install special seismic instrumentation to record information about geologic foundation factors when earthquakes occur. This phase of the study would require about 3 years to complete. The study would also assemble and evaluate information about past earthquakes, and prepare probability estimates of the occurrence of earthquakes.

It is not at all certain that these studies can point the way to a workable Federal earthquake and flood insurance program. Experience in attempting to implement the Federal Flood Insurance Act of 1956 pointed up the problems involved in establishing schedules of rates for such insurance which would be both acceptable to those needing such insurance and adequately related to expectable losses.

For example, if rates are established on the degree of exposure to flood risk, the rates may be so high for those on the flood plains and exposed coastal areas which need protection most, that the policies might not generally be marketable. On the other hand, if rates are established on a more or less uniform basis, with no variation for flood risk, the program would be faced with "adverse selection"; that is, insurance would be sold in flood plains and exposed coastal areas far more easily than in other areas. This could make the insurance uneconomic.

The committee, therefore, wishes to emphasize that the studies to be undertaken are not to be limited to the studies, described above, relating essentially to establishment of risk characteristics of various areas for earthquakes and floods. Studies should also be undertaken as appropriate, in such areas as the feasibility and financial effect of various alternative methods of public grant assistance for disaster victims (as is proposed in H.R. 9885 and related bills also before this committee), the extent of legal authority for State and local financial participation in such programs, and on the feasibility of more extensive flood plain zoning and other public control of development in high-risk areas. Studies might also be undertaken to determine the extent to which a coinsurance program would be desirable or feasible with respect to disaster risks which are now insurable in some areas only at high rates.

These studies will be carried out in close cooperation with the Council of State Governments, which has for many years expressed keen interest in flood plain zoning and flood insurance, and also, of course, with representatives of the insurance industry.

Section 6 authorizes the appropriation of \$70 million to carry out this act, to remain available until expended. Since the loan programs of the SBA and the Farmers Home Administration are being operated under existing authority, it is intended that the loan disbursements shall not be charged against the said \$70 million. The loan amounts canceled and the amounts of interest waived shall be charged against the appropriations provided pursuant to this authorization.

Section 7 provides that the authority to sell trailers and the provisions covering the loan program of the SBA and the Farmers Home Administration shall be terminated, except for prior commitments, on January 1, 1967. This period of operation would provide ample time for individuals to obtain the benefits of the act.

Section 8 provides that this act may be cited as the "Southeast Hurricane Disaster Relief Act of 1965."

COMMITTEE RECOMMENDATIONS

Based on both personal observation as a result of the inspection trip taken by the special subcommittee to investigate conditions in the area and on testimony received in hearings in Louisiana and Washington, D.C., the committee recommends the enactment of this legislation. Every effort has been made under existing law and in a most commendable fashion by the Office of Emergency Planning, assisted by the Corps of Engineers; Coast Guard; the Departments of Defense, Agriculture, and Commerce; the Small Business Administration; and the Housing and Home Finance Agency to bring about the quickest relief to the disaster area. However, the committee believes to fully restore the area to its full-scale vitality both for economic purposes and for normal living conditions that this additional legislation is needed. It, therefore, recommends the enactment of H.R. 11539.

For the information of the Members of the Senate, the provisions of law referred to in the bill are set forth below:

**SECTION 3 OF THE ACT OF SEPTEMBER 30, 1950, AS
AMENDED (42 U.S.C. 1855b)**

SEC. 3. In any major disaster, Federal agencies are authorized when directed by the President to provide assistance (a) by utilizing or lending, with or without compensation therefor, to States and local governments their equipment, supplies, facilities, personnel, and other resources, other than the extension of credit under the authority of any Act; (b) by distributing, through the American National Red Cross or otherwise, medicine, food, and other consumable supplies; (c) by donating or lending equipment and supplies, determined under then existing law to be surplus to the needs and responsibilities of the Federal Government, to States for use or distribution by them for the purposes of this chapter including the restoration of public facilities damaged or destroyed in such major disaster and essential rehabilitation of individuals in need as the result of such major disaster; (d) by performing on public or private lands protective and other work essential for the preservation of life and property, clearing debris and wreckage, making emergency repairs to and temporary replacements of public facilities of States and local governments damaged or destroyed in such major disaster, providing temporary housing or other emergency shelter for families who, as a result of such major disaster, require temporary housing or other emergency shelter, and making contributions to States and local governments for purposes stated in this subdivision. The authority conferred by this Act, and any funds provided hereunder shall be supplementary to, and not in substitution for, nor in limitation of, any other authority conferred or funds provided under any other law. Any funds received by Federal agencies as reimbursement for services or supplies furnished under the authority of this section shall be deposited to the credit of the appropriation or appropriations currently available for such services or supplies. The Federal Government shall not be liable for any claim based upon the exercise or performance or the failure to exercise or perform a discretionary function or duty on the part of a Federal agency or an employee of the Government in carrying out the provisions of this section.

SECTION 7 OF THE SMALL BUSINESS ACT, AS AMENDED (15 U.S.C. 636)

SEC. 7. (a) The Administration is empowered to make loans to enable small-business concerns to finance plant construction, conversion, or expansion, including the acquisition of land; or to finance the acquisition of equipment, facilities, machinery, supplies, or materials; or to supply such concerns with working capital to be used in the manufacture of articles, equipment, supplies, or materials for war, defense, or civilian production or as may be necessary to insure a well-balanced national economy; and such loans may be made or effected either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis. The foregoing powers shall be subject, however, to the following restrictions and limitations:

(1) No financial assistance shall be extended pursuant to this subsection unless the financial assistance applied for is not otherwise available on reasonable terms.

(2) No immediate participation may be purchased unless it is shown that a deferred participation is not available; and no loan may be made unless it is shown that a participation is not available.

(3) In agreements to participate in loans on a deferred basis under this subsection, such participation by the Administration shall not be in excess of 90 per centum of the balance of the loan outstanding at the time of disbursement.

(4) Except as provided in paragraph (5), (A) no loan under this subsection shall be made if the total amount outstanding and committed (by participation or otherwise) to the borrower from the revolving fund established by this Act would exceed \$350,000; (B) the rate of interest for the Administration's share of any such loan shall be no more than 5½ per centum per annum; and (C) no such loan, including renewals or extension thereof, may be made for a period or periods exceeding ten years except that a loan made for the purpose of constructing facilities may have a maturity of ten years plus such additional period as is estimated may be required to complete such construction.

(5) In the case of any loan made under this subsection to a corporation formed and capitalized by a group of small-business concerns with resources provided by them for the purpose of obtaining for the use of such concerns raw materials, equipment, inventories, supplies or the benefits of research and development, or for establishing facilities for such purpose, (A) the limitation of \$350,000 prescribed in paragraph (4) shall not apply, but the limit of such loan shall be \$250,000 multiplied by the number of separate small businesses which formed and capitalized such corporation; (B) the rate of interest for the Administration's share of such loans shall be no less than 3 nor more than 5 per centum per annum; and (C) such loan, including renewals and extensions thereof, may not be made for a period or periods exceeding ten years except that if such loan is made for the purpose of constructing facilities it may have a maturity of twenty years plus such additional time as is required to complete such construction.

(6) The Administrator is authorized to consult with representatives of small-business concerns with a view to encouraging the formation by such concerns of the corporation referred to in paragraph (5). No act or omission to act, if requested by the Administrator pursuant to this paragraph, and if found and approved by the Administration as contributing to the needs of small business, shall be construed to be within the prohibitions of the antitrust laws or the Federal Trade Commission Act of the United States. A copy of the statement of any such finding and approval intended to be within the coverage of this section, and any modification or withdrawal thereof, shall be furnished to the Attorney General and the Chairman of the Federal Trade Commission when made, and it shall be published in the Federal Register. The authority granted in this paragraph shall be exercised only (A) by the Administrator, (B) upon the condition that the Administrator consult with the Attorney General and with the Chairman of the Federal Trade Commission, and (C) upon the condition that the Administrator obtain the approval of the Attorney General before exercising such authority. Upon withdrawal of any request or finding hereunder or upon withdrawal by the Attorney General of his approval granted under the preceding sentence, the provisions of this paragraph shall not apply to any subsequent act or omission to act by reason of such finding or request.

(7) All loans made under this subsection shall be of such sound value or so secured as reasonably to assure repayment.

(b) The Administration also is empowered—

(1) to make such loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) as the Administration may determine to be necessary or appropriate because of floods or other catastrophes;

(2) to make such loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) as the Administration may determine to be necessary or appropriate to any small business concern located in an area affected by a disaster, if the Administration determines that the concern has suffered a substantial economic injury as a result of such disaster and if such disaster constitutes—

(A) a major disaster, as determined by the President under the Act entitled “An Act to authorize Federal assistance to States and local governments in major disasters, and for other purposes”, approved September 30, 1950, as amended (42 U.S.C. 1855–1855g), or

(B) a natural disaster, as determined by the Secretary of Agriculture pursuant to the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1961);

(3) to make such loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) as the Administration may determine to be necessary or appropriate to assist any small business concern in reestablishing its business, if the Administration determines that such concern has suffered substantial economic injury as a result of its displacement by a

federally aided urban renewal or highway construction program or by any other construction conducted by or with funds provided by the Federal Government; and the purposes of a loan made pursuant to this paragraph may, in the discretion of the Administrator, include the purchase or construction of other premises whether or not the borrower owned the premises from which it was displaced.

(4) to make such loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) as the Administration may determine to be necessary or appropriate to assist any small business concern in reestablishing its business if the Administration determines that such concern has suffered substantial economic injury as a result of the inability of such concern to process or market a product for human consumption because of disease or toxicity occurring in such product through natural or undetermined causes.

No loan under this subsection, including renewals and extensions thereof, may be made for a period or periods exceeding twenty years. The interest rate on the Administration's share of any loan made under this subsection shall not exceed 3 per centum per annum, except that in the case of a loan made pursuant to paragraph (3), the rate of interest on the Administration's share of such loan shall not be more than the higher of (A) $2\frac{3}{4}$ per centum per annum; or (B) the average annual interest rate on all interest-bearing obligations of the United States then forming a part of the public debt as computed at the end of the fiscal year next preceding the date of the loan and adjusted to the nearest one-eighth of 1 per centum, plus one-quarter of 1 per centum per annum. In agreements to participate in loans on a deferred basis under this subsection, such participation by the Administration shall not be in excess of 90 per centum of the balance of the loan outstanding at the time of disbursement.

(c) The Administration may further extend the maturity of or renew any loan made pursuant to this section, or any loan transferred to the Administration pursuant to Reorganization Plan Numbered 2 of 1954, or Reorganization Plan Numbered 1 of 1957, for additional periods not to exceed ten years beyond the period stated therein, if such extension or renewal will aid in the orderly liquidation of such loan.

(d) The Administration also is empowered to make grants to any State government or any agency thereof, any State-chartered development credit or finance corporation, any land-grant college or university, any college or school of business, engineering, commerce, or agriculture, or to any corporation formed by two or more of the entities hereinabove described which are eligible to receive such grants, for studies, research, and counseling concerning the managing, financing, and operation of small business enterprises and technical and statistical information necessary thereto in order to carry out the purposes of section 8(b)(1) by coordinating such information with existing information facilities within the State and by making such information available to State and local agencies. The Administrator may recommend to grant applicants particular studies or research which are to be financed by such grants. The total of all grants (including amendments and modifications thereof) made under this subsection within any one State in any one year shall not exceed

\$40,000. The Administration may require, as a condition to any grant (or amendment or modification thereof) made under this subsection, that an additional amount not exceeding the amount of such grant be provided from sources other than the Administration to assist in carrying out the purposes for which such grant is made: *Provided*, That if such grant or any part thereof is to be utilized for the purpose of providing counseling services to individual small business enterprises the Administration shall require that such additional amount be provided and in an amount which is equal to the amount of such grant. What constitutes such additional amount may be defined by the Administration.

SUBTITLE C OF THE CONSOLIDATED FARMERS HOME ADMINISTRATION ACT OF 1961, AS AMENDED (7 U.S.C. 1961-67)

SUBTITLE C—EMERGENCY LOANS

SEC. 321. (a) The Secretary may designate any area in the United States and in Puerto Rico and the Virgin Islands as an emergency area if he finds (1) that there exists in such area a general need for agricultural credit which cannot be met for temporary periods of time by private, cooperative, or other responsible sources (including loans the Secretary is authorized to make under subtitle B or to make or insure under subtitle A of this title or any other Act of Congress), at reasonable rates and terms for loans for similar purposes and periods of time, and (2) that the need for such credit in such area is the result of a natural disaster.

(b) The Secretary is authorized to make loans in any such area (1) to established farmers, ranchers, or oyster planters who are citizens of the United States, and (2) to private domestic corporations or partnerships engaged primarily in farming, ranching, or oyster planting provided they have experience and resources necessary to assure a reasonable prospect for successful operation with the assistance of such loan, and are unable to obtain sufficient credit elsewhere to finance their actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in the community in or near which the applicant resides for loans for similar purposes and periods of time.

SEC. 322. Loans may be made under this subtitle for any of the purposes authorized for loans under subtitle A or B of this title.

SEC. 323. The Secretary shall make no loan under this subtitle in excess of an amount certified by the county committee.

SEC. 324. The Secretary shall make all loans under this subtitle at a rate of interest not in excess of 3 per centum per annum repayable at such times as the Secretary may determine, taking into account the purpose of the loan and the nature and effect of the emergency, but not later than provided for loans for similar purposes under subtitles A and B of this title, and upon the full personal liability of the borrower and upon such security as the Secretary may prescribe.

SEC. 325. The Secretary may make loans without regard to the designation of emergency areas under section 321(a) to persons or corporations (1) who have suffered severe production losses not general to the area or (2) who are indebted to the Secretary for loans

under the Act of April 6, 1949, as amended, or the Act of August 31, 1954, as amended, to the extent necessary to permit the orderly repayment or liquidation of said prior indebtedness.

SEC. 326. The Secretary is authorized to utilize the revolving fund created by section 84 of the Farm Credit Act of 1933, as amended (hereinafter in this subtitle referred to as the "Emergency Credit Revolving Fund"), for carrying out the purposes of this subtitle.

SEC. 327. (a) All sums received by the Secretary from the liquidation of loans made under the provisions of this subtitle or under the Act of April 6, 1949, as amended, or the Act of August 31, 1954, and from the liquidation of any other assets acquired with money from the Emergency Credit Revolving Fund shall be added to and become a part of such fund.

(b) There are authorized to be appropriated to the Emergency Credit Revolving Fund such additional sums as the Congress shall from time to time determine to be necessary.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill as reported are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, existing law in which no change is proposed is shown in roman):

SECTION 3(d) OF THE ACT OF SEPTEMBER 30, 1950, AS AMENDED (42 U.S.C. 1855b)

SEC. 3. (d) by performing on public or private lands protective and other work essential for the preservation of life and property, clearing debris and wreckage, making emergency repairs to and temporary replacements of public facilities of States and local governments damaged or destroyed in such major disaster, providing temporary housing or other emergency shelter for families who, as a result of such major disaster, require temporary housing or other emergency shelter, and making contributions to States and local governments for purposes stated in this subdivision. The authority conferred by this Act, and any funds provided hereunder shall be supplementary to, and not in substitution for, nor in limitation of, any other authority conferred or funds provided under any other law. Any funds received by Federal agencies as reimbursement for services or supplies furnished under the authority of this section shall be deposited to the credit of the appropriation or appropriations currently available for such services or supplies. The Federal Government shall not be liable for any claim based upon the exercise or performance or the failure to exercise or perform a discretionary function or duty on the part of a Federal agency or an employee of the Government in carrying out the provisions of this section. *Notwithstanding any other provision of law, trailers provided as a result of Hurricane Betsy as temporary housing may be sold directly to the persons who are the occupants thereof at prices that are fair and equitable.*

SECTION 7(b)(1) OF THE SMALL BUSINESS ACT, AS AMENDED (15 U.S.C. 636)

SEC. 7. (b)(1) to make such loans either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis as the Administration may determine to be necessary or appropriate because of floods or other catastrophes.

In the case of property loss or damage in the States of Florida, Louisiana, and Mississippi resulting from Hurricane Betsy, the Small Business Administration, to the extent such loss or damage is not compensated for by insurance or otherwise, (1) shall at the borrower's option on that part of any loan in excess of \$500, (A) cancel up to \$1,800 of the loan, or (B) waive interest due on the loan in a total amount of not more than \$1,800 over a period not to exceed three years; and (2) may lend to a privately owned school, college, or university without regard to whether the required financial assistance is otherwise available from private sources, and may waive interest payments and defer principal payments on such a loan for the first three years of the term of the loan.

SUBTITLE C OF THE CONSOLIDATED FARMERS HOME ADMINISTRATION ACT OF 1961, AS AMENDED (7 U.S.C. 1961-67)

SUBTITLE C—EMERGENCY LOANS

SEC. 321. (a) The Secretary may designate any area in the United States and in Puerto Rico and the Virgin Islands as an emergency area if he finds (1) that there exists in such area a general need for agricultural credit which cannot be met for temporary periods of time by private, cooperative, or other responsible sources (including loans the Secretary is authorized to make under subtitle B or to make or insure under subtitle A of this title or any other Act of Congress), at reasonable rates and terms for loans for similar purposes and periods of time, and (2) that the need for such credit in such area is the result of a natural disaster.

(b) The Secretary is authorized to make loans in any such area (1) to established farmers, ranchers, or oyster planters who are citizens of the United States and (2) to private domestic corporations or partnerships engaged primarily in farming, ranching, or oyster planting provided they have experience and resources necessary to assure a reasonable prospect for successful operation with the assistance of such loan, and are unable to obtain sufficient credit elsewhere to finance their actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in the community in or near which the applicant resides for loans for similar purposes and periods of time.

SEC. 322. Loans may be made under this subtitle for any of the purposes authorized for loans under subtitle A or B of this title.

SEC. 323. The Secretary shall make no loan under this subtitle in excess of an amount certified by the county committee.

SEC. 324. The Secretary shall make all loans under this subtitle at a rate of interest not in excess of 3 per centum per annum repayable at such times as the Secretary may determine, taking into account the purpose of the loan and the nature and effect of the emergency, but

not later than provided for loans for similar purposes under subtitles A and B of this title, and upon the full personal liability of the borrower and upon such security as the Secretary may prescribe.

SEC. 325. The Secretary may make loans without regard to the designation of emergency areas under section 321(a) to persons or corporations (1) who have suffered severe production losses not general to the area or (2) who are indebted to the Secretary for loans under the Act of April 6, 1949, as amended, or the Act of August 31, 1954, as amended, to the extent necessary to permit the orderly repayment or liquidation of said prior indebtedness.

SEC. 326. The Secretary is authorized to utilize the revolving fund created by section 84 of the Farm Credit Act of 1933, as amended (hereinafter in this subtitle referred to as the "Emergency Credit Revolving Fund"), for carrying out the purposes of this subtitle.

SEC. 327. (a) All sums received by the Secretary from the liquidation of loans made under the provisions of this subtitle or under the Act of April 6, 1949, as amended, or the Act of August 31, 1954, and from the liquidation of any other assets acquired with money from the Emergency Credit Revolving Fund shall be added to and become a part of such fund.

(b) There are authorized to be appropriated to the Emergency Credit Revolving Fund such additional sums as the Congress shall from time to time determine to be necessary.

In the case of property loss or damage in the States of Florida, Louisiana, and Mississippi, resulting from flood, high waters, or wind-driven water or uninsurable crop loss, caused by Hurricane Betsy, the Secretary of Agriculture shall, to the extent such loss or damage is not compensated for by insurance or otherwise, at the borrower's option on that part of any loan in excess of \$500, (1) cancel up to \$1,800 of the loan, or (2) waive interest due on the loan in a total amount of not more than \$1,800 over a period not to exceed three years without regard to whether the required financial assistance is otherwise available from private sources.

Calendar No. 903

89TH CONGRESS
1ST SESSION

H. R. 11539

[Report No. 917]

IN THE SENATE OF THE UNITED STATES

OCTOBER 19, 1965

Read twice and referred to the Committee on Public Works

OCTOBER 20, 1965

Reported by Mr. McNAMARA, without amendment

AN ACT

To provide assistance to the States of Florida, Louisiana, and Mississippi for the reconstruction of areas damaged by the recent hurricane.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Congress hereby recognizes that the States of
4 Florida, Louisiana, and Mississippi suffered extensive prop-
5 erty loss and damage as a result of Hurricane Betsy in 1965
6 (including, but not limited to, loss and damage from flood,
7 high waters, and wind-driven waters caused by such hurri-
8 cane) and that there is a need for special measures designed
9 to aid and accelerate these States in their efforts to provide

1 for the reconstruction of highways and public works projects,
2 and to otherwise rehabilitate these devastated areas.

3 SEC. 2. Notwithstanding any other provision of law,
4 trailers provided as a result of Hurricane Betsy as temporary
5 housing under clause (d) of section 3 of the Act entitled "An
6 Act to authorize Federal assistance to States and local gov-
7 ernments in major disasters, and for other purposes", ap-
8 proved September 30, 1950, as amended (42 U.S.C.
9 1855b), may be sold directly to the persons who are the
10 occupants thereof at prices that are fair and equitable.

11 SEC. 3. In the administration of the disaster loan pro-
12 gram under section 7 (b) (1) of the Small Business Act, as
13 amended (15 U.S.C. 636 (b)), in the case of property loss
14 or damage in the States of Florida, Louisiana, and Missis-
15 sippi resulting from Hurricane Betsy, the Small Business
16 Administration, to the extent such loss or damage is not com-
17 pensated for by insurance or otherwise, (1) shall at the
18 borrower's option on that part of any loan in excess of \$500,
19 (A) cancel up to \$1,800 of the loan, or (B) waive interest
20 due on the loan in a total amount of not more than \$1,800
21 over a period not to exceed three years; and (2) may lend
22 to a privately owned school, college, or university without
23 regard to whether the required financial assistance is other-
24 wise available from private sources, and may waive interest

1 payments and defer principal payments on such a loan for
2 the first three years of the term of the loan.

3 SEC. 4. In the administration of the emergency loan pro-
4 gram under subtitle C of the Consolidated Farmers Home
5 Administration Act of 1961, as amended (7 U.S.C. 1961—
6 67), in the case of property loss or damage in the States of
7 Florida, Louisiana, and Mississippi, resulting from flood,
8 high waters, or wind-driven water or uninsurable crop loss,
9 caused by Hurricane Betsy, the Secretary of Agriculture
10 shall, to the extent such loss or damage is not compensated
11 for by insurance or otherwise, at the borrower's option on
12 that part of any loan in excess of \$500, (1) cancel up to
13 \$1,800 of the loan, or (2) waive interest due on the loan in
14 a total amount of not more than \$1,800 over a period not to
15 exceed three years without regard to whether the required
16 financial assistance is otherwise available from private
17 sources.

18 SEC. 5. The Secretary of Housing and Urban Develop-
19 ment shall undertake an immediate study of alternative pro-
20 grams which could be established to help provide financial
21 assistance to those suffering property losses in flood and
22 other natural disasters, including alternative methods of
23 Federal disaster insurance, as well as the existing flood insur-
24 ance program, and shall report his findings and recommen-

1 dations to the President for submission to the Congress not
2 later than nine months after the appropriation of funds for
3 this study, except that the findings and recommendations
4 on earthquake insurance shall be reported to the President
5 for submission to the Congress not later than three years
6 after the appropriation of funds for this study.

7 SEC. 6. There is hereby authorized to be appropriated
8 not to exceed \$70,000,000 to carry out this Act, and such
9 sums shall remain available until expended.

10 SEC. 7. This Act, other than sections 5 and 6, shall not
11 be in effect after January 1, 1967, except with respect to
12 payment of expenditures for obligations and commitments
13 entered into under this Act on or before such date.

14 SEC. 8. This Act may be cited as the "Southeast Hurri-
15 cane Disaster Relief Act of 1965".

Passed the House of Representatives October 18, 1965.

Attest:

RALPH R. ROBERTS,

Clerk.

89TH CONGRESS
1ST SESSION

H. R. 11539

[Report No. 917]

AN ACT

To provide assistance to the States of Florida, Louisiana, and Mississippi for the reconstruction of areas damaged by the recent hurricane.

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OCTOBER 20, 1965

Reported without amendment

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OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

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HIGHLIGHTS: see page 5

SENATE

1. AGRICULTURAL APPROPRIATION BILL. Agreed to the conference report on this bill, H.R. 3370, and acted on amendments in disagreement (pp. 26978-89). This bill will now be sent to the President. (See Digest 196 for table showing the changes agreed upon.)
2. SUPPLEMENTAL APPROPRIATIONS. Both Houses received and agreed to the conference on this bill, H.R. 11588 (H. Rept. 1198). This bill will now be sent to the President. Attached is a table showing actions of the conferees on items for this Department. pp. 27029-36

3. WATER. Passed without amendment S. 2679, to amend the Watershed Protection and Flood Prevention Act, so as to increase the maximum floodwater detention capacity from 5,000 acre-feet to more than 12,500 acre-feet. p. 26956
Passed without amendment H. J. Res. 671, to authorize the President to proclaim November 1965 as Water Conservation Month. This bill will now be sent to the President. p. 26944
4. DISASTER RELIEF. Passed without amendment H.R. 11539, to provide assistance to the States of Fla., La., and Miss. for the reconstruction of areas damaged by the recent hurricane. This bill will now be sent to the President. pp. 26962-68
5. RECREATION. Passed without amendment H.R. 797, to establish the Whiskeytown-Shasta-Trinity National Recreation Area, Calif. This bill will now be sent to the President. pp. 26944-47
6. LANDS. Passed without amendment S. J. Res. 9, to cancel any unpaid reimbursable construction costs of the Wind River Indian irrigation project, Wyoming, chargeable against certain non-Indian lands. S. J. Res. 33, an identical bill, was postponed indefinitely. pp. 26955-56
7. PROPERTY. Concurred in the House amendments to S. 1004, to amend the Federal Property and Administrative Services Act of 1949, to make title III thereof directly applicable to procurement of property and nonpersonal services by executive agencies. This bill will now be sent to the President. p. 26989
8. REPORTS. Concurred in House amendments to S. 2150, to discontinue or modify certain reports required by law. The bill discontinues the requirements for reports on tort claims, Puerto Rican relief loans, and farm housing needs. This bill will now be sent to the President. p. 26989
9. GOVERNMENT OPERATIONS. Sen. McClellan submitted a brief summary of the activities of the Government Operations Committee during the 1st session of this Congress. pp. 26990-97
10. WORLD FOOD. Sen. Mondale commended and inserted a 1948 FFA oratorical contest winning speech, "Can Our Earth Feed Its People?", delivered by FFA Fred R. Harris, now U. S. Senator from Okla. pp. 27042-44
11. VETERANS' AFFAIRS. Sen. Yarborough inserted a letter in support of the cold war GI bill and stated that a poll indicated that enactment of the bill would not harmfully affect the reenlistment rate. p. 27044
12. FARM LABOR. Sen. Williams, N.J., reviewed the farm situation since the termination of the bracero program, stated that our "great challenge is to extend protective coverage" to farm workers, and that reports show that "there has been little movement of U.S. farmers to Mexico." pp. 27093-99
13. LEGISLATIVE ACCOMPLISHMENTS. Sen. McGee inserted a newspaper article praising both the accomplishments of the 1st session of the 89th Congress and the leadership of President Johnson. p. 27073
14. SMALL BUSINESS. Passed without amendment S. 2542, increasing by \$120,000,000

HOUSE

Mr. EASTLAND. Let us get the record straight. He said an official brought the list of stockholders to him and that Baker was not on the list of stockholders; that he found out later that he had an equitable interest in some stock.

Mr. WILLIAMS of Delaware. Oh, then he did find it out later. I am glad that at least he found out to whom he should send his bill.

Mr. EASTLAND. Yes.

Mr. WILLIAMS of Delaware. I am glad he found out the identity of his client; I dislike to think he settled the case without knowing.

Mr. EASTLAND. What has that to do with it?

May I ask the majority leader a question?

Mr. WILLIAMS of Delaware. I could not think the man was so naive he did not know the name of his client.

Mr. EASTLAND. He found it out.

Mr. WILLIAMS of Delaware. That is wonderful. Did he find it out before or after collecting his fee?

Mr. EASTLAND. Will the Senator permit me to ask a question of the majority leader?

Can we take up the Bress nomination at 4 o'clock?

Mr. WILLIAMS of Delaware. If we are going to take it up at 4 o'clock today, why not take it up now? There will not be an opportunity to examine the hearings by that time.

Mr. EASTLAND. Yes, there will.

Mr. MANSFIELD. Does the Senator mean for the purpose of giving the Senator from Delaware an opportunity to read the transcript of the hearings held this morning?

Mr. EASTLAND. The Senator is correct.

Mr. MANSFIELD. How long were the hearings?

Mr. EASTLAND. I will ask the Senator from Nebraska how long the hearings were.

Mr. HRUSKA. I would say an hour's testimony. I do not know how long it takes to type that up.

Mr. EASTLAND. More stenographers will be put on it, and it will be brought here as quickly as possible.

Mr. WILLIAMS of Delaware. I wish to make it clear that no matter what the outcome of this debate, I am learning a great deal today about how lawyers operate.

Is the Senator telling me that he thinks that with these hearings not printed as yet we could still be ready to proceed at 4 o'clock?

I will say to the Senator from Mississippi that he and the nominee before the Senate may not prepare their cases, but I usually do a little homework.

I would want time to look over the hearings. If I am not to get the time to look over the record I would rather proceed now.

Mr. MANSFIELD. The distinguished Senator from Nebraska held hearings this morning that are now in the process of being printed.

Mr. EASTLAND. The full subcommittee was presented with some information before it was over. The Senator

from Nebraska asked to examine the witness.

Mr. MANSFIELD. I know of no more capable man in the Senate than the Senator from Nebraska.

Mr. HICKENLOOPER. Mr. President will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. HICKENLOOPER. I have not taken a firm position in this matter. I have been awaiting all the evidence and information I can obtain. I merely suggest that there are other Members of the Senate who have a potential interest in reading the record of hearings, with all due respect to the Senator from Delaware.

Mr. WILLIAMS of Delaware. That is correct.

Mr. HICKENLOOPER. He wishes to read them, I am sure. I would like to read them, and I believe other Senators would want to read them. I believe they should be available to the Senate if we are to decide this question.

Mr. WILLIAMS of Delaware. If they are important enough to hold hearings, and apparently they thought so, they should be printed.

Last Tuesday they received some information from some unknown source. They did not say where, but they thought some further phase needed investigation.

They pulled the nomination back from the consideration by the Senate at that time. I wish to make it clear that it was not upon my request that it was postponed so they could better inform themselves.

All right. They have informed themselves. Let us proceed.

But I want to know what disturbed them and will be asking some questions.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. EASTLAND. We want the Senator to have time to become convinced. I am certain that if he reads the record, this testimony, that even he would be convinced there is nothing to the allegation.

Mr. WILLIAMS of Delaware. That may be true. Significantly the Senator from Mississippi was equally certain of his position before the hearings were held.

Mr. EASTLAND. No; the Senator from Mississippi was not equally certain. I resent the implication. I do not belong to anybody. I do not vote anybody's ticket except what I believe is right.

I held hearings at the request of the Senator to do what was right. I think I have done what was right. The decision was unanimous.

Mr. WILLIAMS of Delaware. Let us hope the Senator went about it with an open mind.

At any rate, are we going to proceed now, or shall we have an opportunity to read the hearings? Does not the majority leader think it is a reasonable request to carry this nomination over until we get the hearings?

The hearings will be here tomorrow and available so that any Senator interested can read them.

Mr. HRUSKA. Will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. HRUSKA. I believe the Senator from Delaware is entitled to an opportunity to read the transcript. I seriously doubt whether he could do it between now and 4 o'clock.

I believe the point of the Senator from Iowa is a good one. There are other Senators with an interest in this record and this case; and they have to have information on it to base an intelligent and conscientious vote on the issue before the Senate.

I may not agree with the conclusion reached by the Senator from Delaware, but I believe in fairness to the Senate that we should have an opportunity to consider the entire record.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HRUSKA. I am happy to yield.

Mr. MANSFIELD. There is much merit in the suggestion of the distinguished Senator from Nebraska, based on the question raised by the distinguished Senator from Delaware.

ORDER FOR ADJOURNMENT UNTIL 9 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 9 o'clock tomorrow morning.

The PRESIDING OFFICER. Is there objection?

Mr. HOLLAND. Mr. President—

Mr. MANSFIELD. The Senate is not going to adjourn now. I am merely proposing an order that when the Senate adjourns today, it stand in adjournment until 9 o'clock tomorrow morning.

Mr. HOLLAND. I have no objection.

May I ask the distinguished majority leader a question, while he is in the Chamber?

Mr. MANSFIELD. Yes.

Mr. HOLLAND. At what time will he find it convenient to have the Senate consider the conference report on the Department of Agriculture appropriation bill, which is ready to be taken up?

Mr. MANSFIELD. At any time.

Mr. HOLLAND. The Senate will be in session for several hours?

Mr. MANSFIELD. Four, five, or six hours.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

The Senate resumed the consideration of the nomination of David G. Bress to be U.S. attorney for the District of Columbia.

NOMINATION OF DAVID G. BRESS

Mr. MANSFIELD. Mr. President, it is my hope that the testimony which was taken by three of the ranking members of the Committee on the Judiciary will be made available not only to the Senator from Delaware [Mr. WILLIAMS] but to all other Senators.

Once again, I invite the attention of the Senate to the fact that the Bress nomination was reported to the Senate by a vote of 12 to 0, that the hearings on that nomination have been on the desks of Senators for at least 10 days or 2 weeks, and that the majority leader on at least three, four, or five, occasions—perhaps more—has postponed consideration of the nomination. The nomination will be considered at this session of Congress.

I hope that Senators who are interested—especially the distinguished Senator from Delaware [Mr. WILLIAMS]—will have access, at least in its typewritten form, to the testimony which was taken by the distinguished Senator from Nebraska [Mr. HRUSKA] and his colleagues this morning. This will afford time to study the testimony, so that when the Senate convenes tomorrow, we shall be prepared to work the will of the Senate one way or the other on the pending nomination.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. MANSFIELD. The Senator from Delaware has the floor.

Mr. WILLIAMS of Delaware. The reason for not proceeding last Tuesday on the nomination was not the fault of the Senator from Delaware. I did not try to delay it; I urged that the Senate go forward and get rid of it then.

Mr. MANSFIELD. The Senator from Delaware has made that statement four or five times, and I have said four or five times that the Senator from Delaware is absolutely correct. It was the majority leader who took it upon himself, because of circumstances which I thought were called to the attention of the subcommittee by the Senator from Delaware himself, to postpone consideration of the nomination.

Mr. WILLIAMS of Delaware. Oh, no.

Mr. MANSFIELD. That is correct. I called up the sugar bill so as to give the subcommittee an opportunity to consider the nomination further.

Mr. WILLIAMS of Delaware. To get the RECORD straight—

Mr. MANSFIELD. That is what I want—a straight RECORD.

Mr. WILLIAMS of Delaware. That is correct. We came in on Tuesday, ready to discuss the Bress nomination. When some of the members of the subcommittee learned that I planned to raise certain questions they decided they had better go back and do more homework. Apparently they were not prepared to answer questions at that time.

Mr. MANSFIELD. Questions raised on the basis of court records which the Senator from Delaware had in his possession; is that correct?

Mr. WILLIAMS of Delaware. Yes. They found out I had examined certain court records; but why should that disturb them?

Mr. MANSFIELD. I thought the Senator had the court records.

Mr. WILLIAMS of Delaware. I had copies of some of the records and had examined them at that time. The subcommittee found out on Tuesday that I had examined the background of the case which prompted the special FBI

investigation. They suddenly realized that they had not examined the case; I can only guess that they were afraid they would not be able to answer some of the questions that might be asked and wanted a further opportunity to do their homework. That was the situation.

It was not at my request that consideration of the nomination was postponed last Tuesday. I was as well prepared to discuss it then as I am now, if Senators wish to proceed.

Mr. MANSFIELD. I have nothing further to say.

LEGISLATIVE SESSION

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

RECONSTRUCTION OF AREAS IN STATES OF FLORIDA, LOUISIANA, AND MISSISSIPPI DAMAGED BY RECENT HURRICINE BETSY

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 903, H.R. 11539.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 11539) to provide assistance to the States of Florida, Louisiana, and Mississippi for the reconstruction of areas damaged by the recent hurricane.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Louisiana?

There being no objection, the Senate proceeded to consider the bill.

Mr. LONG of Louisiana. Mr. President, the purpose of the bill is to provide assistance to sufferers from disasters caused by Hurricane Betsy. The bill does not provide any sort of Federal grant for any situation in which people were able to insure themselves against this disaster.

Unfortunately, insurance companies, for a number of reasons which they have explained logically, will not insure people against the effects of tidal waves. Sometimes hurricanes have a way of pushing ahead of them huge amounts of water. The tidal wave pushed ahead by Hurricane Betsy was from 9 to 20 feet high when it hit the flat coast of Louisiana. In a number of areas all homes and buildings were completely wiped out by the tidal wave.

Fortunately, under existing legislation it is possible for the Small Business Administration to make disaster loans to the people who were damaged. But a great many of those who suffered are poor. Some of them have nothing but welfare checks upon which to exist. Others have nothing but their social security income as retired persons, or social security income because they are widows with small children. Some of the people who have suffered are in no position whatever to pay back loans.

Rather than to place those people in

a position in which they would have to declare bankruptcy or go into debt to the point where they could never recover from a disaster against which they were unable to protect or insure themselves, it is proposed by the administration that there should be some degree of forgiveness of loans made to persons who suffered losses of a completely uninsurable nature. We feel the utmost gratitude to the President, the Director of the Budget, to former Governor Ellington, Robert Phillips, and the other fine and able people who have come to the aid of such persons. That is the main difference between this measure and provisions authorized by existing law.

The bill also provides for the initiation of a study which we hope will lead to a Federal program to insure people against the devastating effects of hurricanes.

As a sponsor of the bill, together with my distinguished senior colleague from Louisiana [Mr. ELLENDER], the distinguished Senators from Florida [Mr. HOLLAND and Mr. SMATHERS], and the distinguished Senators from Mississippi [Mr. EASTLAND and Mr. STENNIS], I urge that the executive branch proceed expeditiously to make a study and submit a program to enable people to insure themselves against such horrible disasters.

The bill will not help persons whose situation is like that of the junior Senator from Louisiana in any respect; in fact, I would not expect it to do such a thing. It would not help Baton Rouge to any appreciable extent, although that city suffered damage amounting to approximately \$50 million.

The force of the hurricane there was such that huge trees were uprooted, and one of those huge trees crushed in the roof of my home and the rain did much damage.

With respect to damage to my own home, the insurance company made a settlement for \$15,000, which I thought was fair. We will repair our home. We probably lost \$1,000 or \$1,500 beyond what was recovered by way of insurance.

That is because we were in a position to protect ourselves. Private industry took care of that. Private industry is beginning to have great concern over this because it involves so much money that it might cause them to go out of business all over the world. They share in the underwriting of these expenses.

Unfortunately, very little could be done for these poor people who were wiped out and lost everything they had as a result of the tidal wave which accompanied the hurricane. It was the worst disaster as far as property damage is concerned that has ever hit the United States.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. SMATHERS. Mr. President, I associate myself with the remarks made by the distinguished junior Senator from Louisiana. The bill, in the very nature of it, would not answer all of the problems created by the disasters of the type and character which we have been experiencing in Florida, Mississippi, Louisiana, Alabama, and the other gulf and eastern seaboard areas. However, at

least we would be able to afford some relief for those people who have suffered such severe damage and who are not in a position, either through private insurance or in any other manner, to provide for themselves.

The part of the bill which appeals most to the junior Senator from Florida is section 5 which would provide:

The Secretary of Housing and Urban Development shall undertake an immediate study of alternative programs which could be established to help provide financial assistance to those suffering property losses in flood and other natural disasters, including alternative methods of Federal disaster insurance, as well as the existing flood insurance program.

As the able junior Senator from Louisiana has so well stated, the problem is now that no insurance company will insure against wind-driven water. Obviously, in a hurricane such as the one suffered by the people living in the Northeast several years ago, and all up and down the eastern seaboard and gulf coast, the real damage is done by the water which has been driven by winds of 150 miles an hour in some instances. There is no window or door that can keep it out.

The enormous tides rise and they destroy all types and character of property. There is nothing that anyone can do about it. The insurance companies frankly state that they do not want that kind of insurance. They cannot afford to run that kind of program.

This enormous amount of damage ranged upwards into the hundreds of millions of dollars in Louisiana this year. We have had damage ranging up to almost \$400 million in damage in Florida on past occasions. There is no way for one to insure against this type of loss.

I believe that this bill is a start on the kind of program that is most desirable. I congratulate the distinguished Senator from Louisiana for his leadership on this particular program.

I was pleased to join as a cosponsor of the bill at its inception.

I do hope that the Senate will give the measure immediate approval.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. HOLLAND. Mr. President, I was pleased to join as a cosponsor of this measure. I congratulate the Senator from Louisiana for his leadership in this particular instance.

It happens that his good State of Louisiana suffered much more serious damage on this occasion than our State did. However, that is not the point. The question concerns what may happen in the future. We must have some kind of program under which people can insure against losses which are otherwise uninsurable. It is a matter to which this Congress should give its approval.

I strongly support the measure offered by the Senator and hope that it will be speedily enacted.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. LONG of LOUISIANA. I yield.

Mr. PROXMIRE. Mr. President, I am concerned about the enactment of H.R. 11539, the Southeast Hurricane Relief Act of 1965. This bill would provide disaster relief to victims of the recent Hurricane Betsy in the States of Florida, Mississippi, and Louisiana. I believe that this kind of legislation is generally unwise and discriminatory. It sets a serious precedent for the future.

Like other Senators, Mr. President, I have sympathy for the helpless victims of Hurricane Betsy. I have seen the ravages of natural disasters in my own State of Wisconsin, just this last spring, and I know too well the suffering that follows such a catastrophic event, and the very serious noninsurable losses which have occurred from the floods. However, I am deeply concerned about this bill.

In the first place, let me state briefly what this bill would do.

Section 2 of this bill would amend the Federal Disaster Act to authorize the sale of trailers to the victims of the hurricane who have occupied them as temporary quarters.

Section 3 of this bill would provide additional relief under the disaster loan program authorized by section 7(b)(1) of the Small Business Act. In the case of property loss or damages in these three States resulting from hurricane Betsy, the SBA, to the extent the loss or damage is not covered by insurance or otherwise, shall at the borrower's option on that part of any disaster loan in excess of \$500, cancel up to \$1,800 of the loan or waive interest on the loan of not more than \$1,800 for a period of 3 years. SBA also may make a loan to a damaged privately owned school, college, or university and may waive interest payments and defer principal payments on the loan for the first 3 years of the loan.

These college loans may be made without regard to whether the money might be obtained from private sources.

Section 4 of the bill would authorize the Secretary of Agriculture to make loans under the consolidated Farmers Home Administration Act of 1961 in the case of property loss or damage in these three States resulting from flood, high waters or wind driven water or uninsurable crop loss caused by Hurricane Betsy.

Under this section the Secretary shall, to the extent the loss is not insured, at the borrower's option on that part of the loan in excess of \$500, cancel up to \$1,800 of the loan or waive interest on the loan for a total amount of not more than \$1,800 over a period of 3 years. These loans may also be made regardless of the fact that private financing might have been obtained.

Section 5 of the bill would provide for a study by the Department of Housing and Urban Development of alternative methods of Federal disaster insurance, including earthquake insurance. This provision is similar to S. 408, which passed the Senate in January and is now pending in the House. S. 408, sponsored by Senator WILLIAMS, of New Jersey, and Senators BARTLETT, BIBLE, BOGGS, CASE,

CHURCH, CLARK, COOPER, DOUGLAS, GRUENING, HART, HARTKE, JACKSON, JAVITS, LONG of Missouri, McGEE, MCGOVERN, MONDALE, MONTOYA, MORSE, MOSS, NEUBERGER, PELL, RANDOLPH, RIBICOFF, SCOTT, TYDINGS, and YARBOROUGH, is a very desirable bill, and I would hope that the House would act on it promptly.

This bill also authorizes the appropriation of \$70 million.

I am especially concerned about sections 3 and 4 of this bill: The forgiveness of up to \$1,800 of disaster loans above the \$500 and the waiver of interest payments up to the same amount to the victims of Hurricane Betsy is discriminatory legislation. It discriminates against the victims of other disasters in other parts of the country who are still either making payments on disaster loans already received or who are now seeking disaster loans from SBA.

The Presiding Officer, the junior Senator from Minnesota [Mr. MONDALE] and I worked hard to get legislation through Congress earlier this year in order to help the disaster victims in our States. It took us many weeks to accomplish this. The legislation that we achieved did some good. However, it was of general application, not just for Minnesota or Wisconsin, but also for Louisiana, Florida, Mississippi, and all the other States of the Union.

SBA is declaring a disaster area under the authority granted by section 7(b)(1) of the Small Business Act practically every day in some part of the United States. The losses suffered by the victims of these disasters is no less painful, both physically and financially, than those suffered by Hurricane Betsy.

I would like to point out that there is now a provision in the Small Business Act which provides that the Administrator of SBA may suspend the payment of principal and interest on disaster loans, regardless of where they are made, for 5 years.

Therefore, if a victim cannot make his payments or pay his interest, if he cannot make his amortization payments, they can be forgiven. This suspension is available to both homeowners and small business concerns and may be granted if SBA determines that it is necessary to avoid severe financial hardship to the borrower. The maturity of SBA disaster loans has also been extended to 30 years. These provisions are contained in Public Law 89-59, which I introduced. These are sensible and necessary additions to SBA's disaster loan program. They are nondiscriminatory and they suspend, not cancel, payments of principal and interest payments until the borrower can get on his feet again.

Before such a far-reaching amendment to the Small Business Act is passed the committee charged with the oversight of the Small Business Administration should be given an opportunity to hold hearings. I believe that the Agriculture Committee should also closely examine the provision of this bill which would amend the Consolidated Farmers Home Administration Act of 1961 to provide for

the cancellation of principal and the waiver of interest on disaster loans made under that act in the three States covered by this bill.

Disaster victims need help. They need the help and sympathy of their Government regardless of the part of the country the disaster strikes. This bill would single out three States and grant substantial relief to disaster sufferers denied to those who may be equally hurt in other parts of the country.

Therefore, Mr. President, I am deeply concerned with H.R. 11539. I favor the authorization of \$70 million for victims of Hurricane Betsy. I recognize the deep human problems involved. I plead with the leadership that, in the future, they should strive very hard to insist that legislation of this kind be of general application, not confined simply to three States. We should do whatever we can to see that the appropriate committees have an opportunity to hold hearings and consider the legislation. I am sure that the committees would give very sympathetic consideration to the measures and that under those circumstances we could have more orderly and far more equitable legislation.

The way this bill is drafted, if we have a similar disaster in Wisconsin next year, we will not be in a position to obtain this relief, nor will Minnesota, or any other State, including Florida and Louisiana. This legislation is confined to this very specific disaster. It is confined to these three States and it is discriminatory.

I shall have a little more to say about this bill later. However, I thank the distinguished author of the bill for yielding. I hasten to add that I think he and the two Senators from Florida have performed a great service for their States and that it is a very human action that they are taking. I would have done the same thing.

I do hope that, in the future, we shall try to make the legislation more general, and not discriminatory.

Mr. LONG of Louisiana. Mr. President, the discrimination in this bill results from the discrimination that the good Lord created when he decided to send Hurricane Betsy to Louisiana. We suffered \$2 billion in property damage and substantial loss of life.

If there is anyone who thinks that he was discriminated against because Hurricane Betsy did not get to him, as far as the Senator from Louisiana is concerned, he would be glad if that person had obtained his wish.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. PROXMIRE. Mr. President, I am sure that the Senator did not want to leave that impression.

Mr. LONG of Louisiana. The Senator is correct. I did not want to leave that impression.

Mr. PROXMIRE. I am sure that the Senator is aware that with the terrible disasters, hurricanes, and floods that have been hitting throughout this country, we should pass general legislation which would permit all the States to benefit if a disaster should strike in that

area. Wisconsin was hit by this terrible act of God last spring. It could happen again. If it does, the relief for my State should not depend on political power or influence. It should flow equally to all, based on considered and universally applicable national policy.

Mr. LONG of Louisiana. Mr. President, I am aware of the circumstances. We passed a bill through the Senate that would do just about the sort of thing the Senator suggested. If the Burke-Bayh bill—we call it the Bayh bill—which was sponsored by about 50 Senators, perhaps including the Senator from Wisconsin—were moved through the House committee and became law, perhaps we would not even have to be here asking for a Hurricane Betsy bill to provide help for the victims who suffered so badly from that catastrophe.

I assure the Senator that, as one Member of this body, this Senator will do everything in his power to aid the victims of any natural disaster. I have already discussed the matter with my colleague from Louisiana, Representative HALE BOGGS, of the Second District, which includes the part of the State so badly hit. He and I and the rest of the Louisiana delegation are all going to work together to help pass the sort of general legislation which the Senator says we should pass.

The thing which makes it difficult to get such a bill through is that many Members of the House are reluctant to approve what they regard as buying a pig in a poke—to approve a bill, in this case, which could conceivably cost a fantastic amount of money, without knowing how much it is going to cost.

Yesterday the Senate voted a \$70 million appropriation to effectuate this bill. The conference has agreed to cut that in half. I am still most grateful to the conferees that they went along with us that far.

Mr. HOLLAND. Mr. President, will the Senator yield at that point?

Mr. LONG of Louisiana. I yield.

Mr. HOLLAND. The conferees did agree upon the \$35 million figure, and we also agreed upon an item which was regarded as sufficient to allow a thorough study to be made of this whole disaster field, so that at the next Congress, or at the next session of this Congress, legislation dealing with the general subject, which has been so ably discussed by the Senator from Wisconsin, could be produced and considered, based upon the idea of allowing citizens to participate by insuring themselves against losses that are otherwise uninsurable. We have had many matters of this kind, such as the Alaskan situation and the Columbia River flood, the floods along the Kansas River and the Missouri and others, that they have taught us the lesson that this is one general field in which sound legislation is much needed. We have put an appropriation in this supplemental bill and in the conference report just concluded—which I think will be considered here in the Senate very shortly—that will set underway a careful study, to try to bring back to the Congress just such a bill as has been discussed.

Mr. LONG of Louisiana. I yield.

Mr. SMATHERS. The able Senator from Wisconsin may be assured that, should disaster strike his area, we would all extend to him the same sympathy which we now feel for our own people as a result of the losses which they have suffered from Hurricane Betsy. No less sympathy would be expressed to the people of Wisconsin, or those of any other State of the Union which incurred one of these natural disasters. We must see if we cannot start some type or character of program to provide for Government administered coverage in the area of relieving suffering and damage which is uninsurable, not only for Florida, Louisiana, Mississippi, and the States now encompassed in this particular bill, but in future times, we would hope the same principle could be extended, as has been so appropriately expressed by the Senator from Louisiana, to all areas of this Nation. This is an urgent need for everybody in our Nation. Nobody knows at what time there may be a tremendous thunderstorm, an earthquake, a catastrophic fire, or other disaster of such magnitude that the insurance companies could not take care of it and would not wish to try.

We are trying to move into that field, to answer the need which now exists and for which there is presently no action.

Mr. LONG of Louisiana. Tidal waves and earthquakes are the two biggest examples of that. May I assure the Senator that I appreciate the fact that he has stated that notwithstanding his reservations, he will not vote against the bill. As I have told the Senator privately, if his State should ever be visited with a similar disaster, he could count on my vote to help provide for his people. Some time ago, he was working diligently to help his people when they suffered a similar disaster. He felt that certain Federal officials were rather indifferent with respect to the problems which existed in his State. I assure the Senator that as long as the Senator from Louisiana is here, he will be sympathetic toward all disaster victims everywhere. I appreciate the fact that the Government of this country has done much to help us in our hour of need, and we deeply appreciate the assistance of the Senate, including the Senator from Wisconsin.

Mr. PROXMIRE. If the Senator will yield briefly, I wish to say that I deeply appreciate what he has said. I would certainly count on him. He is not only a compassionate, sympathetic Senator, but also a Senator with great strength and force, and most effective in anything he sets about to do.

Mr. LONG of Louisiana. I wish also to thank the Committee on Public Works, headed by its able chairman, the distinguished Senator from Michigan [Mr. McNAMARA]. This bill does not do anything for Michigan, but that State is represented in this body by a very great and generous statesman, who has a heart as big as that of any man who ever served here. He demonstrated his leadership in bringing this bill out of the committee with a very fine committee report, and if he will permit me to do it, I should like to suggest that somebody

erect a statue to him, because he has demonstrated great leadership.

I ask unanimous consent that a list of the names of the members of the Committee on Public Works be printed in the RECORD at this point, so that the victims of the disaster in my State may know the names of their benefactors.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

PUBLIC WORKS

PAT McNAMARA, of Michigan, chairman.
JENNINGS RANDOLPH, of West Virginia.
STEPHEN M. YOUNG, of Ohio.
EDMUND S. MUSKIE, of Maine.
ERNEST GRUENING, of Alaska.
FRANK E. MOSS, of Utah.
LEE METCALF, of Montana.
B. EVERETT JORDAN, of North Carolina.
DANIEL K. INOUE, of Hawaii.
BIRCH BAYH, of Indiana.
JOSEPH M. MONTOYA, of New Mexico.
FRED R. HARRIS, of Oklahoma.
JOHN SHERMAN COOPER, of Kentucky.
HIRAM L. FONG, of Hawaii.
J. CALEB BOGGS, of Delaware.
JAMES B. PEARSON, of Kansas.
GEORGE MURPHY, of California.

Mr. LONG of Louisiana. I yield to the Senator from Kansas.

Mr. CARLSON. Mr. President, not only do I sympathize with the Senator from Louisiana and others who have suffered in this disaster, but I have a deep interest in the subject myself. In 1951, the Middle West went through one of the most disastrous floods in its history. I believe the States of Kansas, Oklahoma, and Missouri suffered damages amounting to approximately \$1 billion.

Following that flood, the senior Senator from Kansas and others became interested in a flood-insurance program. The RECORD will show that we introduced some legislation. We did not receive much support from the administration departments, the Bureau of the Budget and others. There were many problems involved.

If we are starting on a program of some type to work out something to enable an individual to protect himself, I wish to support it. I realize the problem. Some private insurance companies tried to do some of this; there are some of them still trying to get some rulings from the Treasury, in order to protect themselves or any private insurance company handling flood insurance. This is a field we should get into.

I introduced some legislation at the time of the Midwest floods, and when we get to this point again, I shall go back and dig up some of the old bills and some of the speeches I made on the subject, and the records of some of the hearings which were held.

I commend the Senator and assure him that I wish to be of help.

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. WILLIAMS of New Jersey. Is it section 5 of the bill which is being discussed? Does this relate to the study?

Mr. LONG of Louisiana. Yes. I think section 5 provides for the study.

Mr. WILLIAMS of New Jersey. The provisions of section 5 are substantially the same as the legislation that I intro-

duced twice before, passed the Senate both times, but was sort of bottled up in the Rules Committee in the House.

Mr. LONG of Louisiana. It is aimed in that direction. The Senator has shown great leadership in that field, which I appreciate. Had he been able to prevail at an earlier date, I suppose the Government would owe us much more money than we will ever get out of this relief bill here. The Government would probably owe us \$400 or \$500 million, because we would have been wise enough, I believe, to take out the insurance. We suffered last year a disaster of a similar nature, and we regret that private industry does not feel it can appropriately insure this type of loss.

Mr. WILLIAMS of New Jersey. We are encouraged. The private companies have combined to discuss the feasibility of their participation in coverage, and their initiative is most appreciated. It is hoped by this Senator that the Administrator of Housing and Home Finance will avail himself of the thinking of the private sector. As a speculative guess at this point, it seems to me that ultimately, probably, the insurance program can be a combination of private and Government coverage for disasters which now are wholly uninsured.

Mr. LONG of Louisiana. I thank the Senator.

Mr. PROXMIRE. Mr. President, there is another aspect of this subject which concerns me very deeply as chairman of the Subcommittee on Small Business Administration.

Mr. President, the supplemental appropriations bill for 1966, which passed the Senate yesterday, contains two increases to SBA's revolving fund. One of these increases—\$76 million—is the maximum amount authorized to be appropriated under existing law. There was another request by SBA for an additional \$84 million. This \$84 million is contingent upon authorization legislation being enacted by Congress.

Mr. LONG of Louisiana. Mr. President, will the Senator from Wisconsin yield at that point?

Mr. PROXMIRE. I yield.

Mr. LONG of Louisiana. The Senator has demonstrated his leadership by pushing the request for legislation through his subcommittee. It was bottled up in the House Committee on Banking and Currency, but I am happy to say that the bill was reported this morning. At this moment, I know that the bill has been called up for discussion on the House floor. I am informed that there is no doubt the bill will pass. It may already have done so.

Mr. PROXMIRE. I thank the Senator.

Mr. President, both these amounts will be used for disaster loans, particularly for those persons and businesses injured by Hurricane Betsy.

There is pending before the House S. 2542, which would increase the total authorization for SBA's revolving fund by \$120 million. If this amount is passed by Congress, it would leave out of the \$120 million authorization \$36 million remaining in the authorization authority under

which appropriations could be made for all other lending purposes of the SBA. This is true since the additional \$84 million request is contingent on the passage of this \$120 million authorization.

During recent hearings by the Senate Small Business Subcommittee, the Senator from Alabama [Mr. SPARKMAN] and I both raised the point that the thrust of the entire SBA operation is now centered on disaster loans and that the regular business loan program of the Small Business Administration is being neglected. It was brought out at these hearings that SBA is no longer accepting applications for regular business loans. I should like to make it clear at this time that there is \$36 million remaining in the authorization authority which SBA, with Budget permission, of course, could request to be appropriated, but which the Budget Bureau has not permitted. This amount is badly needed by SBA for its regular business loan program, programs under the Small Business Investment Act of 1958, and loans under the Economic Opportunity Act of 1964.

Mr. President, this means that the SBA loan program has ground to a halt, and is not even taking applications. It will remain at a halt because, as I say, all available appropriations are needed for disaster purposes.

I intend to introduce legislation in the near future to separate the SBA disaster funds from the regular loan funds of the SBA, so that the devastating impact of disasters on the SBA lending programs can be eliminated in the future.

Mr. President, I ask unanimous consent to have printed in the RECORD an article published in the this morning's Washington Post entitled "Disaster Loans Dry Up SBA Aid to Negroes," which shows why new legislation in this field is needed.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington (D.C.) Post, Oct. 21, 1965]

DISASTER LOANS DRY UP SBA AID TO NEGROES
(By Leonard Downie, Jr.)

Emergency disaster loans to Louisiana businessmen hit by Hurricane Betsy in September have dried up funds for the Small Business Administration's regular loan programs throughout the Nation.

Hardest hit by the SBA loan drought are the Nation's small businessmen—many of them Negroes—who had applied for loans through the new Small Business Development Centers in 28 U.S. cities.

Applications are no longer being accepted at the centers for regular SBA loans. A backlog of applications for special easy-to-get Economic Opportunity Act loans has built up. And many applicants who have actually received letters approving their loans have not received their money during the past 2 months.

ONE HUNDRED AND SIXTY MILLION DOLLARS
NEEDED

Little of the money is expected to be disbursed, and few new loan applications will be considered, SBA officials say, until Congress approves \$160 million in supplemental appropriations to foot the bill for Hurricane Betsy and cover the backlog of other applications.

Negro businessmen, meanwhile, are growing restive, as what seemed a promising pro-

gram to help them enter the economic mainstream has come to a virtual standstill.

They especially had been counting on receiving from the SBA the Economic Opportunity Act loans that require little or no collateral; collateral has been a major stumbling block in their efforts to obtain loans before.

"I know there are some Negro businessmen in Washington who were already budgeting money they expected through the program," James S. Stanback, Jr., president of the D.C. Chamber of Commerce said. "Now, with no money coming, they don't know what they are going to do."

CENTERED ON NEGROES

The Small Business Development Centers were set up by the Office of Economic Opportunity in 14 cities last July to provide business training and assistance in obtaining SBA loans for needy small businessmen, especially Negroes.

In Washington, only six Negro businessmen had obtained SBA loans in 13 years before last summer. More than half of the 145 loans approved through the local center since then have gone to Negroes.

Nationwide, the number of cities served by the centers quickly doubled, with dozens of requests for them coming from other towns, as the public response exceeded all official expectations.

But now the loan money has suddenly stopped coming. Samuel Harris, director of the Washington center, reported that the SBA stopped accepting applications for regular loans "some time ago."

He also estimated that 40 local applications for poverty program loans, budgeted separately by the SBA, are still awaiting SBA approval and that more than a dozen local businessmen who have received letters approving their applications still have not gotten any money.

Berkeley Burrell, president of the National Business League, said the situation is much the same at centers all over the country. Representatives of the league's chapters in cities with Small Business Development Centers "are calling every day to complain about the sudden lack of loan money," he said.

NEW CENTERS CURBED

The SBA also is not allowing new centers to open up in cities asking for them, he added, and Washington's center has two new branches, both staffed and already open for business, that cannot be announced to the public.

Burrell believes that the special effort to help Negro businessmen was never expected to cost as much as it has. "Now that it is adding to the Government's money problems," he said, "I'm afraid they will curtail it sharply or cut it off."

SBA officials insist that Hurricane Betsy is the only reason for the loan embargo. Emergency disaster loans needed in Louisiana, which get top SBA priority, are expected to exceed the \$88 million loaned to businessmen in Alaska after the earthquake there in March 1964.

Diversion of large amounts of loan money for the Louisiana emergency has created a backlog of more than 4,000 unfilled loan applications in other parts of the country, one spokesman said.

"As I understand it," another SBA official said, "we are nearly flat broke."

"I realize the anxiety of other people counting on money from us," Randall Tyus, the SBA's special assistant to the administrator for minority group affairs said, "But we must help these people in the South first."

At one point earlier this month, the entire SBA loan machinery ground to a halt as officials surveyed the application backlog to decide what programs to curtail for now and how much money to request from Congress.

Now the disaster loan program is running smoothly, SBA spokesmen say, and "some money is expected to trickle back down through the poverty loan program, although progress will be slow."

Officials of both the SBA and the Office of Economic Opportunity, which pays for the office expenses and management training programs at the Small Business Development Centers, promise that everything will be back to normal soon.

But Negro business leaders, who believe enough money should have been set aside for the poverty loan program in the first place so that it would not have been affected by the Louisiana emergency, are not so optimistic.

"We need a deeper commitment to the Negro businessman from the administration," Burrell said.

Mr. PROXMIRE. Mr. President, while the article points up the local impact on the SBA program, the effect is nationwide, in States such as Wisconsin, Alabama, Louisiana, New York, Oregon, and New Hampshire, and all the rest.

We have received complaints in our committee that small businesses cannot borrow money. We know that this is something Congress intends they shall be permitted to do. But the SBA does not have the funds to make loans available at this time.

Let me once again congratulate the Senator from Louisiana for his leadership in this Hurricane Betsy matter. I hope and pray that in the future this kind of legislation will be more general and not so discriminatory as this particular bill is.

Mr. ELLENDER. Mr. President, will my colleague [Mr. Long] yield to me?

Mr. LONG of Louisiana. I am glad to yield to my distinguished colleague.

Mr. ELLENDER. Mr. President, I am grateful for the action which is about to be taken on the pending bill. We had introduced another bill requesting that more funds be allocated to the victims of the disaster, but because of the fact that it did not contain approval from the Budget Bureau, we proceeded with the bill now before the Senate.

I am glad to say that the Committee on Appropriations, in its supplemental bill, provided for at least half the money which we requested. I am therefore hopeful that come January, when another appropriation bill will be presented, we may obtain the remainder of the money provided for in the pending bill.

It is a small amount in comparison to the losses sustained, but we are grateful for what Congress has done.

It is indeed heartening the way our Government has repented swiftly, with aid and assistance for our unfortunate citizens who suffered such great losses. As I said before, more will be needed, but words cannot express the pride I feel in the way our country has come to the aid of our people. On a moment's notice the President went to New Orleans to see for himself the tragic aftermath of Hurricane Betsy and immediately mobilized the emergency resources of the Nation to offer comfort to the victims. Though the scars of the disaster will remain long, the memory of a kind President and a compassionate Nation will be remembered longer.

The PRESIDING OFFICER (Mr. MONDALE in the chair). The bill is open to amendment.

If there be no amendment to be proposed, the question is on third reading of the bill.

The bill was ordered to a third reading, was read the third time, and passed.

Mr. LONG of Louisiana. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. WILLIAMS of New Jersey. Mr. President, I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

Mr. BARTLETT. Mr. President, the action of the Senate today in passing H.R. 11539 climaxes efforts which began in the 87th Congress more than 3 years ago. In both the 87th and 88th Congresses bills containing language similar to that appearing in section 5 of H.R. 11539 were passed by the Senate. For a variety of reasons the House failed to give its concurrence.

Early this year the junior Senator from New Jersey [Mr. WILLIAMS] once again introduced a bill to provide for a Housing and Home Finance Agency study of the costs involved in implementing a Federal disaster relief insurance program. Within a few weeks the bill had been reported out by the Senate Banking and Currency Committee and had been, once again, passed by the Senate and sent to the House. As a result of devastation caused by the March 27, 1964, Alaska earthquake this year's proposal called for a study of the actuarial factors involved in a federally supported earthquake insurance program as well.

In the House this summer the Banking and Currency Committee gave the Senate-passed version of the bill (S. 408) its careful consideration and reported it favorably to the full body. It is this House and Senate approved language which now appears as section 5 of the hurricane Betsy relief bill which we pass today and which has already been passed by the House.

Mr. President, since the Alaska earthquake of a year and a half ago there have been some 40 additional natural disasters striking almost every part of this Nation. Except for the tornadoes of the Great Lakes States in the early summer these disasters have consisted primarily of an earthquake in the Pacific Northwest, spring and early summer floods along the west coast and in the upper Midwest and hurricane-transported water damage along the gulf. For neither earthquake nor water damage is commercial insurance available at reasonable rates.

For a number of years now the insurance industry has been concerned about its inability to provide flood or earthquake insurance at reasonable rates. Because of the reluctance of this somewhat conservative industry to think in terms of Federal participation in insurance no such proposals have come from its leaders.

Yet the yearly accumulation of flood and earthquake damage continues to mount. Mr. President, with the successful passage of section 5 of the bill pres-

ently under consideration we come to the point of recognition by the Federal Government of its obligation to provide some sort of assistance in this field.

Once the HHFA has completed the 9-month study of flood insurance factors and an equivalent study of earthquake insurance factors the Congress will be in a better position to determine what form Federal assistance in this area should take. It may be that the study itself once completed will provide sufficient data for the insurance industry to use in setting up a privately financed program. This, however, does not seem likely as the insurance industry has for many years studied the problem and determined over and over that privately supported flood insurance is financially unfeasible. Thus it may be then that what will come out of this study will be a proposal for a Federal reinsurance or upper limit guarantee which, in the manner pioneered by Federal Housing Administration insured loans, will encourage reasonable flood insurance schemes to be proposed by private industry.

Or, it may be that nothing will induce the industry to establish flood and earthquake insurance programs at reasonable rates. In this case the Federal Government will have no alternative but to establish its own Federal disaster insurance program. If this becomes necessary all that remains is to implement a statute which is already on the books, the Federal Flood Insurance Act of 1956—Public Law 84-1016. If merited at that time Public Law 84-1016 could be expanded to include earthquake insurance as well.

Those of us who have worked to assure passage of language authorizing and appropriating money for a flood and earthquake insurance study trust that the Housing and Home Finance Agency—incorporated now in the newly created Department of Housing and Urban Development will bend its efforts toward providing for the Congress the most thorough and all-encompassing study of the factors involved in earthquake and flood insurance. Thus, when the report is received, we will be in a position to make an intelligent decision as to what sort of Federal program is needed in this area.

Surely the massive loss of real and personal property which occurs yearly in the United States can, in some measure, be insured against through some sort of federally supported or federally assisted program. The study which H.R. 11539 authorizes is the first necessary step toward this goal.

Mr. President, the Wall Street Journal of June 9 and again of October 18 of this year discussed proposals being considered here in the Congress and elsewhere in the country for a Federal disaster insurance program. These articles will, I am sure, be of interest to the Senate.

I ask unanimous consent that they appear at this point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, June 9, 1965]
STATE AIDS BELIEVE ANY FLOOD INSURANCE REQUIRES FEDERAL AID—COMMISSIONERS LIKELY TO SOUND OUT WASHINGTON AS FIRMS ARE RELUCTANT TO HANDLE PROBLEM

NEW YORK.—Any workable program to insure property owners against flood damage will require large-scale Federal participation.

That view appeared to be gaining support among State insurance regulators at the semiannual meeting of the National Association of Insurance Commissioners here, despite wide misgivings among insurers and State officials regarding Federal "encroachments."

An NAIC committee on property and casualty coverages will meet late today and is expected to recommend that the organization schedule conferences in Washington to find out what kind of Government participation might be arranged. It will act on the basis of a report of a subcommittee to which the flood insurance question was assigned more than a year ago.

This report includes the findings of a group of insurance industry representatives who were asked last year to explore the question of private concerns' capabilities in the field of flood coverage. That panel indicated earlier this week that after extensive studies it could make "no recommendations of any specific program for flood insurance on dwelling buildings." That report in effect tossed the problem back into the State officials' laps and left no way out but an indemnification plan based largely on Government aid.

Basically, the view of insurance men is that flood damage is not an insurable risk in the same sense as fire or hurricane losses, in which the premiums paid by many persons provide funds to compensate the relatively few who have losses. It is argued that hardly anyone would buy flood insurance unless he is in a location, such as a river valley or the seashore, where damage would be probable—a situation inconsistent with the insurance principle of risk spreading.

The insurance industry panel said it had considered a mandatory approach, in which all dwelling policies would include a charge for flood coverage, and a plan in which flood coverage would be optional. It said it found neither approach workable "on a feasible business basis."

[From the Wall Street Journal, Oct. 18, 1965]
CONGRESS MULLS A PLAN TO AID FUTURE VICTIMS OF FLOODS, HURRICANES—FEDERAL INSURANCE WOULD GIVE PROPERTY DAMAGE COVERAGE NOT OFFERED BY COMPANIES

(By Joseph W. Sullivan)

WASHINGTON.—Protection for property owners against a major hazard that U.S. insurance companies have never been willing to cover at any price may soon be made available by Uncle Sam, without charge.

The hazard, which already has inflicted damages of well over a billion dollars on U.S. homes, farms, and businesses this year, is water—water propelled by a flooding river, high tide, hurricane or just plain windstorm.

Because these perils are capable of inundating entire communities, insurers blanch at the prospect of paying for their havoc. Moreover, because insurance against them has appeal only in the localities where the peril is greatest, there's little way for an insurer to apply his golden precept of collecting premiums from the many to pay the claims of a few.

These same considerations, however, are serving to spur efforts within the Johnson administration and in Congress to come up with some alternate form of relief payments for the afflicted. For the greater the destruc-

tion, the greater the pressures for the Government to step in and help out. Galvanized by this year's freakish combination of heavy winter and spring flooding in many parts of the West and Hurricane Betsy's more recent devastation of the Louisiana lowlands, congressional majorities are plainly prepared to start the relief funds flowing, though the form, size and exact timing of help are still in doubt.

FEDERAL INDEMNITY PAYMENTS

Creation of a federally subsidized disaster insurance program in which property owners would pay some premium to get protection, is one possibility getting consideration. Most of the attention, though, centers on providing unadorned Government indemnity payments for home and business losses in designated disaster areas.

"Private property owners have no effective way to protect themselves against the worst forms of natural calamity, and the Federal Government is the only entity with the resources to step in and fill the void," declares an official of the Federal Office of Emergency Planning. The OEP figures to spend close to \$100 million this year to help clean away flood and storm debris, restore public facilities and services and provide emergency housing to disaster victims; but under present law it can't do anything about compensating private losses.

As a starter in that direction, the House is due to approve today a special "Betsy" bill providing what amounts to Federal grants of up to \$1,800 each to uninsured Louisiana, Florida, and Mississippi residents whose property was damaged or destroyed by the hurricane. The Senate Public Works Committee plans to take up the measure tomorrow and barring some end-of-session mixup it should be enacted by late this week.

BROADER DISASTER RELIEF

The Betsy bill does no more than set a precedent, however, and despite its \$70 million price tag, it's stingy alongside the much broader disaster relief legislation that's being readied to follow. Indeed, after ratifying the Betsy bill last Wednesday, the House Public Works Committee immediately turned its attention to a Senate-passed indemnification bill that would set far higher ceilings on individual payments for all future disasters—\$22,500 in the case of residential damages and \$75,000 for business property. Because nobody has a firm idea how much this scheme might ultimately cost, the House group will probably extend its deliberations on the measure into the new session of Congress that begins in January. Both congressional and administration disaster aid specialists are agreed, though, that some version of the broad relief measure should be enacted soon.

"The simple fact that we have to resort to special, sectional acts of Congress to provide relief to some disaster areas is indication enough that present provisions are inadequate," declares Democratic Senator BIRCH BAYH, of Indiana, chief sponsor of the Senate-passed bill. Only by pledging prompt attention to the broad Senate measure were leaders of the House public works unit able to get an assurance from Chairman PAT McNAMARA of the Senate Public Works Committee that he'd take up special aid for Betsy victims.

Actually, indemnification of private property losses is only one feature of the multi-benefit aid plan approved by the Senate with administration backing. The legislation would also commit the Federal Government to picking up the entire tab for reconstruction of storm-damaged schools, highways, sewage works, and other essential public facilities. In addition, it would greatly liberalize eligibility standards and terms of

Small Business Administration disaster loans—the principal form of Federal assistance now available to individual disaster victims.

These SBA home and business rebuilding loans, which carry an interest charge of only 3 percent, can now be offered for a term of no more than 20 years, and only to borrowers who can't qualify for private credit. The Senate bill would extend the maximum loan term to 30 years and, more important, make low-cost SBA credit available to all comers in any area the agency declares to be disaster stricken. (Portions of 38 States have been so designated within the past 18 months.)

"This may take some business away from private mortgage lenders," concedes one of the bill's proponents, "but why should a provident man whose home has been washed away have to pay 6 percent for rebuilding money when his neighbor with a lousy credit rating is only paying 3 percent?"

The Senate bill's provisions for reimbursing property owners for their losses would make the States handle damage claims and require them to put up one-third of the funds. The money would only go out for damage categories against which insurance can't be obtained "at reasonable rates" and total reimbursement would be limited to 75 percent of the amount of a disaster loss. Also, high-risk areas especially vulnerable to repeated flooding would be excluded from coverage; States would have to adopt "flood-plain zoning controls" that would rule out such areas.

NO WIND PROTECTION

Thus a man whose \$30,000 home is completely washed away by a flood could qualify for the maximum \$15,000 Federal grant, plus \$7,500 from his State government—provided he hadn't built in an area ruled off limits by his State's flood-zoning plan. If, on the other hand, his home were destroyed by a tornado or by hurricane winds (as contrasted with hurricane waters) there would be no Federal-State reimbursement because he could have obtained private insurance against wind perils. Eligibility of an earthquake victim would depend on the availability and rates for earthquake insurance in his locality.

"We feel we've taken care not to discourage sound business practices in any way," says Senator BAYH. And neither insurers nor mortgage lenders have any great quarrel with his assertion, though the lenders are far from pleased with the bill's broadening of SBA loan eligibility standards.

The insurance industry, for its part, has long agonized over its inability to offer flood insurance and is glad to have protection against the torrent of abuse that invariably follows rejection of mass water damage claims. There are misgivings, to be sure, about just where a Federal intrusion into the indemnity field may ultimately lead. But the Bayh bill, at least in the judgment of insurance industry envoys in Washington, poses no imminent threat.

COULD AID INSURERS LATER

"It doesn't discourage purchase of any form of insurance that's on the market now, and by encouraging the States to develop flood-zoning systems, it could pave the way for making private flood insurance practical," observes one industry man. Should flood zoning ever become refined enough to permit accurate scaling of insurance rates according to flood risks, the Bayh bill is designed to cede jurisdiction back to the industry, at least in lower risk areas.

But what may be good for insurers and money lenders may not represent "sound business practice" for Uncle Sam, some flood control experts suggest.

Average flood and tidal damages of around \$400 million yearly over the past decade, as compiled by the U.S. Weather Bureau, could

soar much higher, the weathermen concede. Even the estimated \$1.9 billion in damages inflicted over the past 12 months—a high water mark—could be dwarfed in a few hours, it's acknowledged, if a wayward hurricane should ever blow into the New York area at full tilt.

Once before, in 1956, Congress authorized creation of a flood indemnity fund, built on an insurance framework under which persons seeking protection would pay 60 percent of the premium, Uncle Sam 20 percent and the States the balance. But the Federal Flood Indemnification Administration, set up to run the program, quickly became mired in ratesetting quarrels. And when it came back to Congress in 1957 for \$500 million just to get the program going, the House Appropriations Committee balked. Without any funding, the program perished.

THE WAR IN VIETNAM AND THE GENEVA CONVENTION

Mr. DODD. Mr. President, not so many months ago, our defeatists and our doomsday criers, as well as our enemies, were telling us that the war in Vietnam could not be won.

Some of them said we could not possibly win, because the French who knew southeast Asia so much better than we do had not been able to win with an army of 500,000 men.

This is an argument which I have always found singularly unimpressive.

Indeed, on the basis of their entire record in Indochina, the French colonialists should be the last ones to be held up as an example or to be asked for advice on how to conduct a counter guerrilla war.

Some said that we could not possibly win because we ourselves were unequipped to fight a guerrilla war in the jungles of Vietnam. But their pessimistic appraisal has been given the lie by the events of recent months in Vietnam.

And there were those who said that we could not possibly win because Hanoi and Peiping were prepared to fight for 10 or 20 years if necessary. They said that Communist regimes are infinitely more stubborn and persevering than democratic governments can ever be, and that these regimes are inherently too proud to admit defeat.

This appraisal of Communist staying power was proved wrong in the Korean war, and it is my conviction that it will again be proved wrong in Vietnam.

Communist pride is a contradiction in terms. The Communists have no pride. They are history's supreme opportunists.

When hard pressed, they have always been willing to call a halt to the battle, even at the cost of important diplomatic concessions.

In the days after the Bolshevik revolution, Lenin lectured some of the more stubborn of his party members on the need for knowing how to take one step back, so that they would at a future date be able to take two steps forward. And, at the Treaty of Brest-Litovsk, Lenin purchased peace with the German Army by major territorial and other concessions.

So it simply is not true that Communists are too proud to back down or to compromise.

When I returned from the Far East last May and reported that the war in Vietnam was going much better than could be gleaned from a reading of the press and that there were many reasons for being sanguine about the future, I was accused by some editors and by some of my colleagues of naivete and wishful thinking. I know that one Senator said on the floor of the Senate later that I did not know what I was talking about.

But today I do not think that anyone will challenge the statement that the war is going very much better for our side.

Virtually all the accounts from Vietnam are now agreed that the much-touted Vietcong monsoon offensive failed to make serious headway; that our side has, by and large, had the better of the Communists in the important engagements that have taken place since last June 1; that morale on the Government side has improved tremendously; and that there are clear signs that the morale of the Vietcong is beginning to crack.

This is the theme of an article in this week's issue of Time magazine, which I ask unanimous consent to insert into the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

Mr. DODD. I ask unanimous consent that an article entitled "Back to Geneva 1954? An Act of Political Folly" be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. DODD. Mr. President, the Time article makes it clear that the vastly improved situation in Vietnam could not possibly have come about without large scale American intervention. But it also underscores the fact that it is the South Vietnamese Army, and not the American forces, that is doing most of the fighting and suffering most of the casualties. And the South Vietnamese forces are now fighting better because, with our assistance, they are now confident of the final outcome of the struggle.

Time points out that in the 4 months after U.S. combat units went into action, some 3,000 Government soldiers were killed compared with 275 Americans. It also points out that, as the U.S. buildup has grown larger, Government losses in action have gone down dramatically—from 1,300 in July, to 800 in August, to 567 in September.

There are many evidences of declining Vietcong morale. Their dead, whom they previously used to remove from the battlefield even at the risk of their lives, are now frequently left on the field of battle in large numbers. Their weapons, which they previously considered far more precious than lives, are now frequently left behind by the retreating Vietcong.

But perhaps the most important single piece of evidence of the declining Vietcong morale is the fact that during the month of September defections from the Vietcong to the Government side reached the all-time high of 1,654. Against this figure, the Vietcong was able to boast of



Public Law 89-339
89th Congress, H. R. 11539
November 8, 1965

An Act

79 STAT. 1301

To provide assistance to the States of Florida, Louisiana, and Mississippi for the reconstruction of areas damaged by the recent hurricane.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby recognizes that the States of Florida, Louisiana, and Mississippi suffered extensive property loss and damage as a result of Hurricane Betsy in 1965 (including, but not limited to, loss and damage from flood, high waters, and wind-driven waters caused by such hurricane) and that there is a need for special measures designed to aid and accelerate these States in their efforts to provide for the reconstruction of highways and public works projects, and to otherwise rehabilitate these devastated areas.

SEC. 2. Notwithstanding any other provision of law, trailers provided as a result of Hurricane Betsy as temporary housing under clause (d) of section 3 of the Act entitled "An Act to authorize Federal assistance to States and local governments in major disasters, and for other purposes", approved September 30, 1950, as amended (42 U.S.C. 1855b), may be sold directly to the persons who are the occupants thereof at prices that are fair and equitable.

SEC. 3. In the administration of the disaster loan program under section 7(b)(1) of the Small Business Act, as amended (15 U.S.C. 636(b)), in the case of property loss or damage in the States of Florida, Louisiana, and Mississippi resulting from Hurricane Betsy, the Small Business Administration, to the extent such loss or damage is not compensated for by insurance or otherwise, (1) shall at the borrower's option on that part of any loan in excess of \$500, (A) cancel up to \$1,800 of the loan, or (B) waive interest due on the loan in a total amount of not more than \$1,800 over a period not to exceed three years; and (2) may lend to a privately owned school, college, or university without regard to whether the required financial assistance is otherwise available from private sources, and may waive interest payments and defer principal payments on such a loan for the first three years of the term of the loan.

SEC. 4. In the administration of the emergency loan program under subtitle C of the Consolidated Farmers Home Administration Act of 1961, as amended (7 U.S.C. 1961-67), in the case of property loss or damage in the States of Florida, Louisiana, and Mississippi, resulting from flood, high waters, or wind-driven water or uninsurable crop loss, caused by Hurricane Betsy, the Secretary of Agriculture shall, to the extent such loss or damage is not compensated for by insurance or otherwise, at the borrower's option on that part of any loan in excess of \$500, (1) cancel up to \$1,800 of the loan, or (2) waive interest due on the loan in a total amount of not more than \$1,800 over a period not to exceed three years without regard to whether the required financial assistance is otherwise available from private sources.

SEC. 5. The Secretary of Housing and Urban Development shall undertake an immediate study of alternative programs which could be established to help provide financial assistance to those suffering property losses in flood and other natural disasters, including alternative methods of Federal disaster insurance, as well as the existing flood insurance program, and shall report his findings and recommendations to the President for submission to the Congress not later than nine months after the appropriation of funds for this study, except that the findings and recommendations on earthquake insurance shall be reported to the President for submission to the Congress not later than three years after the appropriation of funds for this study.

Southeast Hurricane Disaster Relief Act of 1965.

Trailers, sale.

64 Stat. 1110;
65 Stat. 173.

Small business disaster loans.
72 Stat. 389.
Ante, p. 206.

Farmers emergency loan program.
75 Stat. 311.

Alternative financial assistance programs, study.
Ante, p. 667.
Reports to President and Congress.

Appropriation.

SEC. 6. There is hereby authorized to be appropriated not to exceed \$70,000,000 to carry out this Act, and such sums shall remain available until expended.

Expiration date.

SEC. 7. This Act, other than sections 5 and 6, shall not be in effect after January 1, 1967, except with respect to payment of expenditures for obligations and commitments entered into under this Act on or before such date.

Short title.

SEC. 8. This Act may be cited as the "Southeast Hurricane Disaster Relief Act of 1965".

Approved November 8, 1965.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 1164 (Comm. on Public Works).

SENATE REPORT No. 917 (Comm. on Public Works).

CONGRESSIONAL RECORD, Vol. 111 (1965):

Oct. 18: Considered and passed House.

Oct. 21: Considered and passed Senate.